

# BULLETIN

OF THE

NATIONAL ASSOCIATION OF CREDIT MEN.

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## NATIONAL ASSOCIATION NOTES.

### Legislative Matters.

The most important development in reference to our legislative work during the past month, and one of the most important in the history of the Association, is the decision of the Supreme Court of Massachusetts in sustaining the constitutionality of the Massachusetts Bulk Law. The case, through which the litigation arose, came to the attention of Mr. William M. Morgan, attorney of the Boston Credit Men's Association, in the most accidental manner. It was found, however, to be necessary to ask that the Association be allowed to enter into the case, and this per-

mission having been granted by the Court a very able brief was prepared and submitted on behalf of the Boston Association, by Messrs. Pillsbury & Morgan as counsel. Upon consideration, the Supreme Court sustained the law, which is a great triumph for the Boston branch as well as for the general interests of this legislation. Copies of the brief referred to, and also of the decision, have been printed by the National Office and may be had upon application.

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Bills for the regulation of the sales of stocks of goods in bulk have been introduced into the legislatures of Kentucky and Mississippi.

In a suit involving the validity of the Oklahoma Bulk Law, the Judge presiding instructed the jury to find for the defendant on the ground that, as the consideration of the sale of the stock of goods under dispute was another lot of goods and no money passed in the transaction, it was not a sale under the meaning of the Bulk Law.

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#### **Membership Matters.**

During the month of January, Assistant Secretary Stockwell has visited Huntington, Clarksburg and Fairmont, West Virginia; and Richmond and Norfolk, Virginia. He secured a large number of individual members and organized a local association in Richmond.

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#### **Standard Trade Inquiry Form.**

A new standard trade inquiry form, and which will hereafter be the one form published by the Association, has been distributed to the membership. Any member who has failed to receive a copy may secure one on application to the National Office.

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#### **Investigation and Prosecution Bureau Matters.**

Up to the time of going to press only a few associations had reported their views on the question of organizing local investigation and prosecution bureaus with guaranteed funds. It is hoped that, during the month of February, a majority at least of the local branches will have taken action upon this subject, in order that progress may be made with respect to it.

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#### **Another "Richmond" in the Field.**

##### **THE RICHMOND CREDIT MEN'S ASSOCIATION.**

It is especially pleasing to report the organization of a local Association of Credit Men in the well-known city of Richmond, Virginia. This was accomplished by Assistant Secretary Stockwell on January 18, 1904. Mr. Stockwell devoted considerable time to preliminary work, the outgrowth of which was a public meeting of credit men held at the Chamber of Commerce on the evening of Friday, January 15th. A preliminary organization was effected, and Mr. Stockwell, on behalf of the National Association, presented in a very able manner the principles and purposes of the national organization. An interesting and important feature of the meeting was that four of the individual members of the National Association, residing in Richmond, were present, and they testified in the strongest terms to their belief in the usefulness of the Association.

At the final meeting, held on January 18th, a permanent organization was effected, the title adopted being the "Richmond Credit Men's Association," and the following officers were elected: President, Mr.

George L. Pender, of the American National Bank, and Secretary, Mr. Jo. Lane Stern, of Jo. Lane & Cary Ellis Stern.

George L. Pender, who was elected President, is an old-time member of the Baltimore Association, a man of excellent capacity and one entirely familiar with association work. Mr. Stern, Secretary, is the senior member of the well-known law firm of Jo. Lane & Cary Ellis Stern, one of the best known commercial law firms in the country.

The Association starts with a charter membership of thirty-eight, the roll at the present time being as follows:

American National Bank, George L. Pender.

First National Bank, John M. Miller, Jr., Cashier.

National Bank of Virginia, T. K. Sands, Cashier.

Planters' National Bank, R. H. Smith, Cashier.

Merchants' National Bank, J. F. Glenn, Cashier.

City Bank of Richmond, J. W. Sinton, Cashier.

Wingo, Ellett & Crump Shoe Co., George B. Wilson, Secretary-Treasurer.

Drewry, Hughes & Co. (dry goods and notions), John C. Freeman, Vice-President and Treasurer.

The Southern Clothing Co. (manufacturing clothing), Leon Wallerstein.

H. W. Rountree & Bro. Trunk & Bag Co., Samuel A. Neale, Secretary-Treasurer.

Etchison Hat Co., W. B. Broaddus, Secretary.

Watkins-Cottrell Co. (hardware), C. S. Fensom.

The Baughman Stationery Co.

W. S. Donnan Hardware Co., S. C. Donnan, Secretary.

M. S. Block, Son & Co. (leather findings), S. M. Block.

Warner Moore & Co., (flour and feed), J. Willard Craig.

Cottrell Saddlery Co., James W. Sharp.

E. A. Saunders' Sons Co. (groceries and liquors), M. A. Chambers, Secretary-Treasurer.

Binswanger & Co. (paints, oils and glass), H. S. Binswanger, President.

R. G. Dun & Company (mercantile agency), James W. Young.

G. & A. Bargamin Co. (plumbers' supplies), Anton Thierman, Secretary-Treasurer.

Virginia-Carolina Chemical Co. (manufacturing fertilizers), S. W. Travers, Treasurer.

C. W. Antrim & Sons (groceries).

T. D. Stokes & Co. (hats), J. E. Woodfin.

Richmond Cedar Works (manufacturing woodenware), W. J. Parrish.

M. Cohen, Son & Co. (dry goods), Jacob Coleman.

The E. B. Taylor Co. (crocery and china), Chas. K. Coulling, Secretary-Treasurer.

W. K. Bache, with International Harvester Co. of America.

Harrelson & Co. (confectioneries and cigars).

Richmond Paper Manufacturing Co., A. H. Christian, Jr.

Stern & Co., Inc. (shoes), L. B. Stern, Vice-President.

Richmond Hardware Co., R. E. V. Farrar, Secretary-Treasurer.

Kingan & Co., Ltd. (provisions), John S. Munce, General Agent.

Gordon Metal Co. (metals, etc.), Howard Gordon, Secretary.

Virginia-Carolina Hardware Co., H. G. Ellett, Secretary-Treasurer.

Southern Paper Co., H. T. Ellyson, Secretary-Treasurer.

S. T. Beveridge & Co. (wholesale grain), S. T. Beveridge.

Stephen Putney Shoe Co., John B. Metzger.

### Assistant Secretary Stockwell's Work for the Year 1903.

In view of the fact that the Association deliberated for many years before deciding to avail itself of the services of a regular organizer there has been considerable curiosity exhibited by different members, as evidenced by inquiries received at the National Office as to how the experiment had developed. The Association was fortunate in securing Mr. Stockwell, as he undoubtedly possesses the qualities necessary for organization work, as proven by the results attained. We know that he has made a most agreeable impression wherever he has gone, and the results of his work have been most satisfactory.

In all previous calculations for this work it was not anticipated that the Association would be able to cover itself by memberships secured, for the expenses involved in the position, but it is our pleasure to say that Assistant Secretary Stockwell has made his work pay for itself during the past year. A summary of his accomplishments is as follows:

JANUARY 1ST TO DECEMBER 31ST, 1903.

Local Associations organized: St. Joseph, Mo.; Wichita, Kan., and San Diego, Cal.

Individual members secured in the following cities: Springfield, Mo., 11; Joplin, Mo., 5; Carthage, Mo., 2; Sedalia, Mo., 4; Clinton, Mo., 1; Atchison, Kan., 9; Leavenworth, Kan., 8; Quincy, Ill., 23; Peoria, Ill., 27; Pekin, Ill., 1; Macomb, Ill., 1; Keokuk, Ia., 9; Galesburg, Ill., 4; Bloomington, Ill., 10; Burlington, Ia., 11; Rock Island, Ill., 7; Moline, Ill., 5; Davenport, Ia., 15; Sterling, Ill., 1; Dixon, Ill., 1; Muscatine, Ia., 5; Terre Haute, Ind., 4; Dubuque, Ia., 24; Freeport, Ill., 2; Rockford, Ill., 27; Beloit, Wis., 1; Cedar Rapids, Ia., 12; Ottumwa, Ia., 6; Waterloo, Ia., 3; Fort Dodge, Ia., 8; Marshalltown, Ia., 2; Topeka, Kan., 4; Council Bluffs, Ia., 5; Clinton, Ia., 5; Carpentersville, Ill., 1; Batavia, Ill., 1; Aurora, Ill., 3; Joliet, Ill., 4; Danville, Ill., 2; Decatur, Ill., 4; Springfield, Ill., 3; Cairo, Ill., 7; Paducah, Ky., 16; Owensboro, Ky., 8; Frankfort, Ky., 1; Lexington, Ky., 6; Maysville, Ky., 1; Portsmouth, O., 2; Ironton, O., 2; Huntington, W. Va., 14; Catlettsburg, Ky., 5; Charleston, W. Va., 19; Ashland, Ky., 1; Parkersburg, W. Va., 11; Marietta, O., 4; Wheeling, W. Va., 33. Total, 411.

### Calling a Halt on Unjust Claims.

*Circular Issued by the H. B. Glover Company, Dubuque, Ia.*

"SHORTAGES" FOUND.

The following are copies of actual letters received regarding alleged shortages.

They speak for themselves.

Read them carefully, as one or more of them may apply to your case.

H. B. GLOVER COMPANY.

....., Iowa, Sept. 26, '02

Gentlemen: We find to-day upon unpacking the goods shipped us August 19th, they were short as follows:

528	1 doz.	hose	\$2.25
465	1 "	"	2.00
467	1 "	"	2.00
410	2 "	"	2.00
Total			\$8.25

Please send us credit memorandum for same.

Yours truly,



....., Ia., Sept. 29, 1902

Gentlemen: In reply to yours of yesterday, will say we received all five boxes as stated in your letter and are satisfied the goods were short as all of the boxes were unpacked in one day except the box of duck coats.

Yours truly,

....., Ia., Oct. 10, 02

Gentlemen: In reply to yours of the 8th, will say we are short the hose as reported in our last letter. In regard to the hose you referred in your letter of September 29th being packed with some other goods, were one dozen ladies' hose, number 736, packed with underwear, and we have them.

Yours truly,

....., Iowa, Sept. 21, 1903

Gentlemen: Enclosed find check for \$44.94 in payment of bills of July 29th due Sept. 15th, less discount 10 days, and also \$8.25 to balance ..... account. You will find you sent us credit memorandum last October for \$8.25 for goods we claimed short. Through error of railroad agent or drayman, we did not find the goods until last spring, but have them now and include payment for same in check inclosed.

Yours truly,

....., Iowa, Sept. 24, 1903

Gentlemen: Yours of the 22nd at hand. In reply will say, we could not find out by the agent that any such box came for us and we had all the boxes our freight bill showed, without this one. About the same time we received a shipment of canned goods, which our drayman hauled and put in our storeroom for us and with it this hosiery, or at least we suppose so for there is where we found it. I guess this is about all there is to it, only the reason we did not report it sooner was we did not think it necessary until we remitted for it, and we just simply neglected or overlooked it in our remittances until now.

Truly yours,

## 2

....., Ia., Sept. 14, 1903

Gentlemen: In checking off the bills of August 21st and 27th, we find that we are short No. 803  $1\frac{1}{3}$  dozen blouses.

Yours truly,

....., Ia., Sept. 18, 1903

Gentlemen: I have looked again and failed to find that one-third dozen No. 803 blouses, but Mr. .... will be here soon and we will have him look for same, and if they can be found we will willingly pay for them.

Yours truly,

....., Iowa, Nov. 19, 1903

Dear Sirs: Why not send us a credit memorandum of the  $1\frac{1}{3}$  dozen blouses that were short?

Yours truly,

....., Ia., Dec. 2, 1903  
Dear Sirs: I located the 1/3 dozen ladies' Golf blouses in .....  
..... store. Mr. .... said that they looked all  
through their overall department for blouses, as they thought the in-  
voice called for some kind of working jackets or blouses. Please charge  
them up with the 803S 1/3 dozen ladies' Golf blouses, \$24.00, shipped to  
them in their early fall bill, which they claimed they did not receive.  
Yours in haste  
.....

....., Ia., Dec. 3, 1903  
Dear Sirs: Mr. .... was here yesterday and we found out  
what No. 803 was. The way it was billed I supposed it to be some  
men's blouses and looked in the men's department for 803, but Mr.  
..... told me it was Ladies' Sweaters and we looked in the other  
department and they were easily found. Being you have sent us credit  
memorandum for them, you will have to re-bill them.  
Yours truly,  
.....

### 3

....., Iowa, Sept. 17, 1903  
Gentlemen: Goods in bill of September 1st received yesterday and  
after carefully checking up same, discover that we are short one dozen  
shirts of lot S127G at \$2.75 and these must have been omitted in packing  
the case. Kindly investigate and send us credit memo. for same and  
oblige.  
Yours truly,  
.....

....., Iowa, September 21, 1903  
Gentlemen: In reply to your favor of September 19th regarding  
the one dozen shirts S127G which we reported short, we desire to inform  
you that we found these goods in the packing case where our clerk had  
left them in unpacking same. We very much regret the trouble that we  
have caused you and can positively assure you that it won't happen again.  
Yours truly,  
.....

### 4

....., Illinois, Sept. 23, 1903  
Gentlemen: In checking up underwear that arrived Monday, I find  
24 boxes or 12 dozen of 407. According to your invoice I am 1/2 dozen  
short, also in the Job 1060, I find I am 1/6 dozen short, but found 1/6  
dozen 1030, the \$9.00 grade not on your invoice, so I presume the ship-  
ping clerk made error, sending me the 1/6 dozen 1030 instead of 1/6  
dozen 1060. Everything else O. K. and I am well pleased with the way  
they open up.  
Yours truly,  
.....

....., Ill., Sept. 25, 1903  
Gentlemen: I found the 1/2 dozen drawers number 32. I supposed  
I was short amongst the 369 lot. I am so crowded for room and have  
been so very busy I sometimes wonder that I do anything right. Very  
much regretting the annoyance I have caused you, I am,  
Yours truly,  
.....

5

....., Minn., Sept. 24, 1903  
Gentlemen: We beg your pardon. We find we made a mistake in billing 1/2 dozen boys' night shirts short. We found them among the men's goods and are very sorry we were not real sure of it before billing them to you. Please pardon us; it was purely our mistake.  
Yours truly,

6

....., Ia., Sept. 29, 1903  
Gentlemen: The duplicate of the goods, of which we were desirous of receiving, came to hand this morning. We send accompanying this communication the duplicate. It is O. K. except in regard to the No. 500 1/3 jackets. We received only 1/6. Trusting you will find the error,  
Very respectfully,

....., Ia., Oct. 14, 1903  
Gentlemen: Mr. .... waited to tell me about the shortage claimed of "1/6 Jackets, \$24.00." It seems that he opened the one box and took out one and thought the jackets were put up 1/6 dozen and supposed that but one remained. He felt badly when we to-day fished out the four.  
Yours very respectfully,

7

....., Iowa, Oct. 6, 1903  
Gentlemen: We are short 1/2 M Needles 63C on your invoice of October 3rd.  
Yours truly,

....., Iowa, Oct. ..., 1903  
Gentlemen: Found needles all O. K.  
Yours truly,

8

....., Iowa, Nov. 5, 1903  
Gentlemen: In bill of the 29th ult., received yesterday, I am short the following:

2 pair	No. 413 Boys' Drawers (size 28)	@	\$2.25	\$ .38
1/4 M	Harpers Needles	@	1.25	.31
1 doz.	Arm Bands (Easy)			.40
1/2 "	Cuff Buttons, 14406, 14156, 13599	@	3.00	1.50
1/4 "	" 13741X, 13509, 14554L	1/4	4.50	1.12

\$3.71

These goods must have been overlooked in the house. The box was not broken in transit and I checked bill myself  
Yours respectfully,

....., Iowa, Nov. 9, 1903  
Gentlemen: Yours of the 6th received and, as you suggested, I looked over the ground again, but failed to find any of the goods reported short. It is possible they might have been thrown out with packing, but I hardly think so, as I am pretty careful when I do the work myself, but if so, they are gone.  
Very respectfully,  
.....

....., Iowa, Nov. 10, 1903  
Gentlemen: The goods I reported short a few days ago have turned up all O. K. They went out in the country with some goods a farmer bought of me and were returned to-day. "Guess that's a horse on me."  
Yours respectfully,  
.....

---

9

....., Minn., Nov. 25, 1903  
Gentlemen: On November 10th you billed to us 1 dozen Night Robes as from back order. Up to date the goods haven't arrived yet. Kindly look up this shipment, and oblige,  
.....

....., Minn., Dec. 7, 1903  
Gentlemen: In reply to the shipment made November 10th, will say that it was a mistake on our part. One of the clerks unpacked the goods, put them in stock and didn't check the bill and I didn't know anything about it thinking they were not here, but find the goods in stock and it checks up all O. K. to bill. You will kindly excuse us for putting you to so much extra trouble. We remain,  
Respectfully,  
.....

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**Novel, But Interesting Thoughts on Credit.**

HON. GEO. W. PECK ("PECK'S BAD BOY").

Governor Peck: Mr. Toastmaster and solemn gentlemen (laughter): After listening to the proceedings so far I have felt that it was not my place to be here. This is a business gathering. I judge that you are looking out for people that are going to run away and you want to get them by the neck (laughter), and I felt a delicacy about coming here (laughter). I felt as though you might be getting us into this room, a few of us, and locking the doors and collecting from us, but I thought if Mr. Jones (Referee in Bankruptcy) and Mr. Quarles (of the Milwaukee Bar) could stand it I would take my chances with the rest of them (laughter). That is about the only way that you could get anything from some of us—I am satisfied of that (laughter). I do not believe that your entire duty is to look out for those who are getting away and getting into brother Jones's court. It seems to me from the bright faces here of men that have come up from the lower rounds of the ladder and got on top of the financial part of the business with which they are connected, that if you can see a way to bring up the young men who are going into business and show them that there is a way to do business without getting so deeply in debt that they have to be watched, if you instill into the minds of the young man who is going into business, that there is a limit to



his credit, if you can fix the percentage of what a man may owe and then impress upon him that he must not go beyond that before it is everlastingly too late, impress it upon him when he is beginning in business, make him understand that there are some things that he can do with his own money and then when he needs more to branch out and get where the big money is that he has got friends that will stand by him, it will be well.

I was probably one of the first collectors in the State of Wisconsin that collected money from a bad man. Fifty years ago my father was postmaster in a little town in Jefferson County in this State, and he had trusted out the postage. There were no stamps at that time, but a man that was good could send his letters and receive letters, and so my father was busted all the time (laughter). He told me one day that there was one man in the community who was always talking rich, but never had a cent, who owed him \$2.71 for postage, and he said, "George, if you will get that you may have it." Well, that was more money than I had ever thought of before, and so I went to my friend Tom Marsh, his name was, and found him in front of the grocery where he had been telling the boys there how much money he had—coming (laughter), and he had 15 or 20 men in front of the little grocery, and I went up to him and I said, "Mr. Marsh, my father says you owe him \$2.71, and that if I will get it I may have it." "Well," he said, "By George, you may" (laughter). He put his hand down into his pocket and drew out \$2.71 and gave it to me, and you could not have seen me for the dust getting back to the post office (laughter). I believe that I taught that man a lesson, and it taught me a lesson—it made me probably one of the best business men in the State of Wisconsin. It showed me where to jump off and where to get on in a business way. It was only a year after that that my father moved from that town—that was the only bill he collected there and so he moved (laughter) to a place about 5 miles from there—and after we had got fairly settled in the town they sent me back with a pillow case to get the cat that we left there (laughter). My mother gave me a good, strong pillow case and told me to go to the house where we lived, and said that the cat would be hungry because we had been gone a week, to feed the cat well, put it in the pillow case and bring it to the town where we had moved to. I did as she directed. I filled the cat choke-full (laughter). I put it in the pillow case and threw it over my shoulder. The cat went to sleep and I started for home. I had got about two miles from the old town toward a new pasture and farm house where there were seven dogs kept on tap all the time. They came out and barked at me in 17 different languages. The cat woke up (laughter). I knew that the cat was awake from certain remarks that she made up and down my spine. She walked up from Genesis to Revelation (laughter), and I started to run and the dogs started after me. Gentlemen, many of you who have been in business for 30 or 40 years have seen hard times, you have been in tight places I have no doubt, but none of you, however sad your business relations may have been with your neighbors and your creditors, ever had as hard a time as I did the first mile that I ran with that cat (laughter)! She had in each foot 27 nails, each sharper than a serpent's tooth, and I got them all. The dogs followed until I was nearly exhausted. I dropped the pillow case, the cat got out and started across the marsh with the dogs after her, and I sat down to reason with myself in the marsh and put some mud on the wounds on my back, and there the business instincts that had come to me from my father sending me out to collect \$2.71 from Tom Marsh came to my rescue. I said, "business is business." There were cowslips growing all along the marsh and I said, "I will take some cowslips home for my mother to make some

greens." So I took the pillow case and filled it with cowslips clear to the top. It was a hard task for me in my wounded condition, but I got there just the same, filled the pillow case full, took one longing look across the marsh where the dogs were coming back with fur in their teeth, and went on to the place that we had moved to. When I went in mother said, "Where is the cat?" I said, "God knows where the cat is, but I am here" (laughter). She said, "What have you got in the pillow case?" I said, "I have got cowslips for greens." Well, she said, that was nice, and she opened the pillow case and began to pick over the greens. You who have been brought up on a farm know how it is done. You take the stem and shake it to see that there are no bugs on it, and then put it into the pan. Mother did that until she got about two-thirds of the cowslips into the pan, and she turned to me and said, "George, did you feed the cat?" "I did." "Did you turn the pillow case wrong side out after the cat got away?" I said, "No, I forgot that" (great laughter). She said, "Look at the bottom of this pillow case, it is a sight," and she turned it wrong side out and threw the cowslips away and took a press-board and began on me right where the cat left off (great laughter).

I mention this in order to show that as business men you do not want to let anything get away (laughter), but when one business busts or is about to bust change it and get into another one. For instance, when I was in the newspaper business and the business was about wound up, I did just the same as I did with the cat, I went into politics, and when I came out I was as badly peppered with nails and hair and press-boards as I was in the business of saving the cowslips for my mother after losing the cat. It makes no difference what you get into, you are liable to get into trouble one way or another, but always wear a cheerful countenance, particularly in front (laughter). On the back you cannot wear it so well.

I presume that there will be some gentlemen now who will want to talk a little sense here, so I will wind up by saying that you have a great duty to perform. You cannot all collect \$2.71 from Tom Marsh's, but you can do the best you can; if you cannot get it, put him in Judge Jones's court and he will get the rest (great laughter). If you are carrying your business on your back and it sticks into you and hurts, let it go, and go into the cowslip business. But make something pay, and bring the boys up to see that the best way to succeed in life is not to let anything escape that is not loose. Just tell them to get everything there is going and pay their debts always—but not hurry about it—a great many people hurry too much in paying their debts, and then they are busted (great laughter). Now, for instance, a man owes you \$100; if you can arrange it so that he can pay the interest for one year and then you throw off 10 per cent., say, then he pays the interest on \$90 another year; then you throw off 10 per cent. more; you are getting your money all the time and at the end of ten years he is all right (laughter). I do not know as that would work in your business, but it has always struck me as being a good way. Then you make one hand wash the other, everybody is happy, the creditor gets money enough to live on and the man—why, he gets away alive and it is all right (great laughter).

### **The Timidity of the National Association of Credit Men.**

BY S. G. ROSSON, OF THE JOHN H. HIRBEN DRY GOODS CO., OF  
CINCINNATI, O.

I read with much interest an article in the November issue of the BULLETIN by Mr. D. H. Kirkland, headed "Relations of Jobbers and Retailers in Credit Reform." Mr. Kirkland makes some suggestions to

the credit fraternity, but proposes to leave the solution to time and the efforts of the National Association of Credit Men. I hope the credit men will not allow the subject to lie dormant, but agitate it. The attitude of the National Association of Credit Men, as to the expression of its opinion of institutions seeking our patronage, has suggested the heading of my remarks.

As to the original suggestion of a "National Credit League," I am heartily in favor of arousing credit men to a point that will establish the value of a more general exposition of ledger facts, through the most desirable medium.

At the last annual meeting of our Association in St. Louis a resolution was offered providing committees for the purpose of inquiring into different systems seeking the patronage of credit men. In the discussion, mention was made of the fact that the New York Association had caused the arrest and imprisonment of an individual who was simply victimizing credit men, one at a time, each not knowing the experience of other victims. It appeared the resolution desired to rid us of such leeches, and their name is legion.

I proposed an amendment to this resolution, seeking to broaden the duties of these committees, particularly along lines for gathering trade information, and providing for a report of their findings and conclusions at our next annual meeting. Objection was raised that the results might express a choice between desirable and undesirable institutions, and that it would place the association in a position to lose its power and prestige in consequence. In fact, the opinion seemed almost universally shared that to express ourselves favorably or otherwise, for our mutual good and benefit, even after careful investigation, would mean our undoing.

I beg to differ with every man sharing this opinion. To my mind the National Association of Credit Men could have no better purpose than to help build and strengthen that which we most need to increase our value as credit men, and which tends to guide us most correctly in the extension of credit and the collection of accounts. We discuss co-operation and the value of getting together, and united action in its broadest sense.

We emphasize our dependence on each other for the best results, but seem afraid to take a stand for or against anything seeking to furnish that which is most important information. What greater calling could the National Association have? What is there of more importance to any and all of us as credit men, and why should we not devote our fearless effort to features of vital interest? Why not criticize, condemn, endorse, build and destroy for our own good? Is it not our business only, and to whom do we have to answer? Do we care whether agencies like or dislike it, do they build or destroy us? I say to you not one of them is building us, but still we grow; and we would grow stronger if we would get off the fence and assert our independence and line to one purpose—"pull for everything that is of the greatest value to credit men." If we do this, there will result a struggle on the part of information channels for the greater perfection of service—all will try to merit our endorsement and avoid our condemnation. The slight agitation on the part of Association members, almost in an individual way, has resulted in some improvement of service, and there is room for more.

#### PRICE AND VALUE OF AGENCY SERVICE.

Don't mistake me, reader, I am not against any of the recognized agencies—they are all good and worth all they ask for their service—about the price of an office boy. Considering their various systems and

the co-operation they receive on the part of all who could add to the value of their reports, credit men not excepted, they do very well. Without them we would more appreciate their value. However, they do not fill our needs by far, and their systems are such that we cannot expect it of them. Some secure most of their information from sources which cannot be expected to know the vital facts wanted.

#### THE VALUE OF TRADE INFORMATION.

A channel of great value and of increasing demand is that of trade reports. Too good to be had it seems. If the reader has read the article of Mr. Kirkland, referred to, he can doubtless see that we need more of something we have not got, to reduce the enormous loss record—although he states that credit men could not have prevented the losses. I differ with him as to this—*credit men could reduce the losses by simply learning more of the facts as to their debtor's condition.* Most merchants owe more, in proportion to their ability to pay, at the time of failure than ever before, if not they would not fail. If the credit men knew this as fast as a debtor's tendency declined would he not draw lines of caution earlier than while selling him in ignorance of an increasing hazard? And if this were done many who make our losses now would continue our customers, because they would find it harder to receive undue credit.

This leads us to the question how and where can the credit man learn sufficient of these facts? I answer, in only one of two places—in the debtor's ledger or those of his creditors, for they exist nowhere else. It is unreasonable to expect them from the debtor, especially those from whom we desire them. If they ask for credit they can hardly be depended on to give us information to defeat getting it.

Agencies may come and go, but none of them will ever give us what we most need, for the best results, until they open the ledgers of the credit givers to a sufficient extent to make known a debtor's condition from a standpoint of facts.

But let us view the present efforts being made to furnish trade reports. There is a mutual organization of clothiers, for their exclusive line, and numerous other lines of business maintain trade report bureaus, but all are working separately—none complete. Their reports cannot be complete unless they interchange with each other. The objection to an interchange of organizations would be a lack of harmony in ideas of management—so many component parts would make it unwieldly and create discord.

The system employed by the Credit Clearing House embraces a union of all lines and in all cities under one management. This is unquestionably the best plan to produce the best results. Of course, it is a question whether the credit men want to patronize and build the Credit Clearing House to a point of great value to them, or whether they want to undertake it themselves, or continue on as now, with numerous struggles in the trade reporting field, making it impossible to render service of sufficient value. One result is certain, nothing can succeed until the credit men resolve to do what is required of them—they have got to give just what they want to get, and give it first.

I see no reason why the Credit Men's Association should not decide what they want and then work for it. It seems reasonable, however, that if we can unite on some plan in existence which has the advantage of a start, and which has largely worked out the problem as the Credit Clearing House has, that we should profit by the advantage gained and proceed from where the Credit Clearing House is now, rather than tear it down and erect another structure relying on our abilities and inex-



perience to improve it. As credit men we are busy, and have little time to conduct agencies. However, I am ready to support anything that will better present conditions.

#### FAILURES AND THEIR FAR-REACHING EFFECT.

It has been said that more than 90 per cent. of the average merchants fail before quitting business. Does this not mean that there will come a time (to avoid loss) for each of us to rid our ledgers of present customers and select others more healthy.

A failure does not end with one victim. It vibrates on through the commercial endless chain, weakening scores of others directly and indirectly. To illustrate that failures effect others than creditors I will mention a recent occurrence. A customer who has always discounted heretofore writes us for thirty days' extension on his account. He explains that a large bankrupt stock is being retailed in his town at sacrifice prices and his trade is demoralized and he is doing little business at the best season of the year and is unable to take care of his Fall obligations promptly. No doubt every other merchant there shares this damage, and those who wish to pay one hundred cents on the dollar have a hard struggle to compete with those who pay fifty cents.

#### DOES ANXIETY TO SELL CAUSE THE EXTENSION OF UNWISE CREDIT?

I say a credit man must have possibly a better reason for refusing credit than extending it, for the reason that anxiety to sell is inclined to secure for the applicant for credit the benefit of the doubt.

The causes for failures are many, but the largest is attributed to "Lack of Capital." I would word this cause differently—"Too much Credit"—and ask is not this mistake within the control of the credit man? Yes, but only so far as he is able to secure sufficient facts to know, beyond a remarkable doubt, that credit should not be extended in certain cases, and that a preponderance of unfavorable facts would lessen the anxiety to sell—for while many want to sell, none want to lose.

If the credit man can fully justify his verdict of refusal, anxiety to sell will not interfere, either in his own mind or that of his employers. But a refusal of credit without good reason, from a standpoint of tangible facts, may be called in question by the salesman whose compensation depends on the filling of his orders, and sometimes concurred in by the house—neither of whom have trained credit minds, and a reason to us is not always a reason to them. These are points well worthy of a credit man's consideration if he is ambitious to avoid friction and achieve the largest measure of success.

It is my belief that a lack of facts causes more unwise credits than all other elements. Ninety days ago, owing to the tendency of a certain account as shown by our ledger, I took precaution to revise our reports before filling an order, although we had sold the account for years. I used all our sources of information and made an effort to secure all trade information possible, but could only learn of three houses selling him and only found \$600 owing, outside of ourselves, with nothing past due. One agency placed his liabilities at \$2,000 only and rated him \$5,000 to \$10,000, while another agency generalized favorably as to his assets and liabilities, and rated him \$3,000 to \$5,000. I did not find sufficient corroboration of my fears to convince me that I should decline the order, but on the contrary that I should O. K. it, which I did.

In sixty days the debtor failed; assets, \$5,000; liabilities, \$9,000—all merchandise creditors and about \$5,000 past due. Had we creditors found each other earlier, myself, and most likely other victims, would have one

loss less in our department this year, and very likely the debtor would have gotten no more goods than he could pay for—certainly the victims would have been fewer and for less in amount.

Does this not indicate we need more facts than we have, and does it not illustrate just where the needed facts are—in our ledgers.

It is within our own power absolutely, and if we will band together, and be honest with our own fraternity, we can expose our debtors' liabilities, manner of dealings and financial health. It is not so hard to learn their assets. They can be seen. The debtor is more proud of them and does not guard them with the same secrecy as unfavorable liabilities.

Statistics show failures for October of this year to be greater than any corresponding period since the panic year of 1893. In November they were nearly twice as large as November of last year and greater than for several years prior.

Fellow credit men, let us not leave it altogether to time. Let us hurry it some. We need it now.

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### Important Bankruptcy Decision of Great Interest to Credit Men.

#### PROOF REQUIRED TO ESTABLISH ILLEGAL PREFERENCE.

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##### COURT OF APPEALS.

Decided December 8, 1903.

EDWARD G. BENEDICT, as Trustee in Bankruptcy of the Union Cloak & Suit Company, bankrupt, appellant, *v.* JACOB DESHEL, *et al.*, respondents.

In an action by a trustee in bankruptcy against a creditor of the bankrupt to recover back moneys claimed to have been paid to him by the insolvent constituting an illegal preference under the Bankruptcy Act, the plaintiff, in order to establish his cause of action, must prove insolvency at the time of payment and that the defendant, when he received the money, had reasonable ground to believe that it was intended as a preference; but he need not prove such an intent on the part of the insolvent in making the payment (National Bankruptcy Act, sec. 60, subdivs. "A," "B").

Appeal from a judgment of the Appellate Division in the First Department affirming a judgment entered upon a verdict in favor of the defendants.

J. Woolsey Shepard for appellant; Morris Hillquit for respondents.

WERNER, J.—This action was brought by the plaintiff as trustee in bankruptcy of the Union Cloak & Suit Company, a domestic corporation, to recover from the defendants, who were creditors of that corporation, certain moneys paid by it to them in alleged violation of the provisions of the Bankruptcy Act relating to preferences. At the Trial Term the defendants had a verdict and the judgment entered upon it was affirmed at the Appellate Division. The order of affirmance is not in the record, but there is evidence to support the contentions of fact advanced by the defendants, so that, if the case was submitted to the jury with correct instructions as to the law and sound rulings upon objections to the reception and exclusion of evidence, the verdict is conclusive whether its affirmance was unanimous or not.

The case turns upon the construction of section 60 of the National Bankruptcy Act, and the specific question involved is presented by exception taken by the plaintiff to the charge of the court to the jury.

Section 60 of the act referred to consists of two subdivisions and reads as follows:

"A. A person shall be deemed to have given a preference if, being insolvent, he has procured or suffered a judgment to be entered against himself in favor of any person, or made a transfer of any of his property, and the effect of the enforcement of such judgment or transfer will be to enable any one of his creditors to obtain a greater percentage of his debt than any other of such creditors of the same class.

"B. If a bankrupt shall have given a preference within four months before the filing of a petition, or after the filing of the petition and before the adjudication, and the person receiving it, or to be benefited thereby, or his agent acting therein, shall have had reasonable cause to believe that it was intended thereby to give a preference, it shall be voidable by the trustee, and he may recover the property or its value from such person."

The learned trial court charged the jury that plaintiff's right to recover depended upon three distinct facts, each of which he was bound to establish by evidence: First. "That the Union Cloak & Suit Company was insolvent on July 3, 1901." Second. "That in transferring to the defendant the \$1,000 the said company intended to give a preference to the defendant." Third. "That at the time of receiving from the Union Cloak & Suit Company the transfer of the \$1,000 on July 3, 1901, the defendant had reasonable cause to believe that said company was insolvent and intended to give them, the defendants, such preference."

The first and third instructions above quoted were concededly correct, but plaintiff's counsel excepted to the second instruction, and that presents the question in the case.

Is it incumbent upon a trustee, in an action to avoid an alleged preferential payment by an insolvent debtor to his creditor, to prove the intent of the debtor to give a preference, as well as the creditor's reasonable ground to believe that a preference was intended to be given? The language of the statute (subdivision B) makes it perfectly clear that a preferential payment by an insolvent debtor to his creditor cannot be avoided by a trustee in bankruptcy unless he can prove that the creditor receiving it "shall have reasonable cause to believe that it was intended thereby to give a preference." In the case at bar the courts below have gone a step further and have held that such an action cannot be maintained without affirmative proof of the debtor's intent to give a preference. It is practically conceded that this interpretation of the statute rests upon judicial construction rather than direct language, and the argument by which it is sought to be supported is that a creditor's reasonable cause to believe that, in the payment to him, it was intended to give a preference, can only be predicated upon the existence of such an intent in the mind of the debtor. It is contended that it would be paradoxical to hold that the creditor should have reasonable ground to believe in the debtor's intent to give a preference unless that intent, in fact, exists and is disclosed by proof. The difficulty with this argument is that it ignores the explicit language of the statute (subdivision A), by which the debtor's intent is removed from the sphere of speculation or evidence into the category of established fact. In unmistakable language Congress has said that when an insolvent debtor makes a transfer of property, the effect of which will be to enable any one of his creditors to obtain a greater percentage of his debt than any other creditor of the

same class, "*the debtor shall be deemed to have given a preference.*" Shall this language be held to be meaningless? Shall it be expunged from the statute by judicial construction? If it does not disclose the legislative intent to fix by law that which would otherwise be the subject of controversy, what purpose does it serve? The only answer to these queries is found in the rather metaphysical contention, already alluded to, that if the debtor's intent depends upon his act, without reference to his state of mind, it is quite superfluous to ascertain the creditor's reasonable ground for belief as to the character and purpose of the debtor's act. This argument, it seems to us, is more refined than sound. The statute deals with three distinct legal entities concerned in the administration of a bankrupt's estate: 1. The debtor. 2. The trustee. 3. The creditor. As to the debtor, the statute declares that a payment under certain conditions shall be held to be preferential. He is not to be heard upon the question of his intent. The effect of his act is fixed by law. That is the scope and purport of subdivision A. The next section, subdivision B, declares, in effect, that a preferential payment is not void *per se*, but voidable by the trustee upon a certain condition. And what is the condition? Simply that the trustee shall establish that the creditor had reasonable cause to believe that the payment to him was intended as a preference. In other words the trustee's remedy is not absolute, but is made to depend upon proof of the knowledge or belief with which the creditor took the payment.

If Congress should have reversed the order of things by providing that upon proof of the debtor's intent to create a preference any payment made by him within the prohibited time and under the forbidden conditions should be void, regardless of the creditor's knowledge or belief in the matter, no one could deny that it would have been a valid exercise of legislative power, however unreasonable or unequitable it might prove in its practical application to individual instances. The present statute does not differ in principle from the illustration cited. In each case the condition affixed to the remedy ignores the state of mind of one of the parties to the transaction and renders his act dependent upon the purpose of the other. We think, therefore, that when a trustee in bankruptcy has proven that a debtor who is insolvent has made a payment, the effect of which will be to give one creditor a preference over others of the same class, and has supplemented this by evidence from which a jury would have the right to find that the creditor receiving the payment had reasonable ground to believe that it was intended thereby to give a preference, he has established all that the statute requires in support of his cause of action. He need not go further, as the plaintiff herein was required to do, and seek to prove the intent of the debtor in making the payment.

This seems to be the view of this statute taken by the Supreme Court of the United States in *Pirie v. Chicago Title & Trust Co.* (182 U. S., 438). That was an action in which the claim of Pirie & Co. had been allowed for goods sold to the bankrupts, and a dividend paid thereon in the bankruptcy proceedings. The Chicago Title & Trust Co. asked for a reconsideration of the claim and its rejection on the ground that Pirie & Co. had, within four months prior to the filing of the petition in bankruptcy, received large preferential payments. The question directly involved was whether the creditors could keep their dividends, but underlying this was the construction of several sections of the bankruptcy statute, among them the one here under consideration. The court there said: "Subdivisions 'A' and 'B' are concerned with a preference given by a debtor to his creditor. Subdivision 'A' defines what shall consti-



tute it, and subdivision 'B' states a consequence of it—gives a remedy against it. The former defines it to be a transfer of property which will enable him to whom the transfer is made to obtain a greater percentage of his debt than other creditors. The latter provides a consequence to be that transfers may be avoided by the trustee and the property or its value recovered, provided, however, that the preference was given within four months before the filing of the petition in bankruptcy or before the adjudication, and the creditor had reason to believe a preference was intended. So far, so clear. If the conditions mentioned exist, the preference may be avoided. But if the person receiving the preference did not have cause to believe it was intended, what then? It follows that the condition being absent, its effect will be absent. In other words, he may keep the property transferred to him whether it be a complete or partial discharge of his debt."

And again: "It is further contended, 'that to constitute a preference under the Bankruptcy Act within either 57 (g) or 60 (a) at least, the intent on the part of the bankrupt to prefer must be present.' In support of this it has been said that an act of bankruptcy consists under section 3 (2) of a transfer by a debtor, while insolvent, of any portion of his property to one or more of his creditors, with intent to prefer such creditors over other creditors, and in such a case a petition in involuntary insolvency may be filed against him (section 3, B). It is hence deduced, reading those provisions with section 60 (a), that preferences under the latter may be taken with the intent declared in the former, because it is not reasonable to assume that Congress intended that there should be preferences which were not acts of bankruptcy. The claim overlooks the fact that the language of section 3 (2) implies a difference between a preference and the intent with which it is given, and besides confounds the different purposes of the sections and their different conditions. It was for Congress to decide whether the consequences to a debtor of being forced into bankruptcy so far transcended the consequences to a creditor by a surrender of his preference as to make the former depend upon an intent to offend the provision of the statute and the latter not so depend. And we see nothing unreasonable in the distinction or purpose. Nor does the contention of appellants find support in the provisions of the Act of 1867 and the cases of *Mays v. Fritton* (20 Wall., 414) and *Wilson v. City Bank* (17 Wall., 473). In that act there was a careful expression of the intent of the debtor (section 5021, Rev. Stat.) and as careful an expression of the state of mind of the preferred creditor (secs. 5084, 5128)."

If, as we think, the construction of section 60, subdivisions A and B, of the bankruptcy statute, was necessarily involved in the case from which we have quoted, that construction should be followed by this court even though it might entertain different views as to the meaning of the statute (*York v. Conde*, 147 N. Y., 486).

In view of these conclusions it is unnecessary to discuss the conflicting decisions under this statute in the Appellate Divisions of our several departments. We hold that it was error for the trial court to charge the jury that it was incumbent upon the plaintiff to prove that the Union Cloak & Suit Company, in making its preferential payment to the defendants, intended thereby to give a preference. It follows that the judgment herein should be reversed and a new trial granted, with costs to abide the event.

PARKER, Ch.J.; GRAY, O'BRIEN and MARTIN, JJ., concur; HAIGHT and CULLEN, JJ., dissent.

Judgment reversed, &c.

(From the New York Law Journal.)

## A System of Bookkeeping for Country Merchants.

HENRY C. NELSON, SHERWIN-WILLIAMS CO., KANSAS CITY, MO.

Bookkeeping is not a new subject by any means; we know that it has been practised and in vogue since the time that mercantile business was started, and a system of bookkeeping for country merchants is not entirely new with the National Association of Credit Men, for they have been endeavoring for some time to adopt a simple system that they could recommend to retail merchants throughout the country.

Of course there are a number of merchants who have taken up a course of bookkeeping and can therefore readily understand its use, but we feel confident that there are many merchants who do not recognize that bookkeeping is a necessity towards obtaining success in the business world.

The probable reason for the ignorance of some of these merchants is the fact that bookkeeping as taught in the schools and colleges of to-day is too complicated, and they do not feel like spending the time learning the theory.

I sincerely believe that if the retail merchants could be interested in a very simple system of bookkeeping, which would not require much thought or experience, it would be appreciated and perhaps would induce some of them to keep such records as would show their financial condition at any time.

The system I have in view is very simple, and I believe that the busiest merchant could not give the excuse, substantially, that it would require too much time to operate it.

I would use three cards; one would be the ledger card, another a day book, or, properly called, a journal, and the last a credit book, or, in other words, cash book, which is of different color, as follows:

Dr. JOHN SMITH, SMITHVILLE, Mo. Cr.


DAY BOOK OR JOURNAL.

Dr.


It is about as simple as could be made to get the results which we are after by posting on the day book or cash book each item as it is sold or received, as the case may be; then the only entry required for the time being is made, and at the end of the day a balance can be taken with the cash on hand, showing the exact amount of business done for that day.

The ledger could be posted from the journal or cash book, either, at the end of the day or whenever convenient during the month.

I would also suggest that a separate ledger card be made for merchandise sold for cash and posted the same as an account. This would bring the books into balance without any trouble whatever.

As regards the individual accounts that the merchant carries on his ledger, I would suggest that a card for each one be made and each item posted at the merchant's convenience, so that should he be called upon by his customer for a statement of his account he will have no trouble in giving the information desired, consequently it is to his interest to have his books posted up to date.

Now to get at the merchant's financial condition, I would suggest the following system of bookkeeping in connection with the above. Post invoices when goods are received on the cash card, just as if so much cash had been received. When the bill is paid, it should be posted on the journal, just as if so much goods had been sold and taken out of the store; for money paid out by the merchant for bills that are due will decrease his resources that amount.

Should he be called upon to render a statement of his financial condition, it will be necessary for him to take an inventory of his stock on hand, then refer to his ledgers, adding accounts that are owing him, together with what cash he has on hand and his balance in bank, his unexpired insurance, and other assets, such as real estate, furniture and fixtures, &c., &c., deducting bills which he is owing for goods and any further existing liabilities.

If the system was operated as above, and books were balanced each month, he could, after taking inventory, which in my opinion would only be necessary twice a year, give a true and complete statement of his financial condition, showing all assets and liabilities, together with his net worth, and there would then be no occasion for any man to estimate his condition when called upon to make a statement of his affairs.

It may appear to you now that the system is a little complicated, and I admit it is not perfection as yet, but the idea is there, and I have already installed the system among our customers, and I will make it a point to personally visit these people to see whereby any improvements can be made to make it more simple.

There is no doubt in my mind but that this system of bookkeeping, properly installed and properly operated, will prevent many of the failures now recorded.

obeyed. It is to be hoped that the system adopted by the retail merchants may become general in Kansas City, and that it may reach other lines of business.

"Another and kindred evil could be largely eliminated if the employers would put an emphatic disapproval on the practice of 'selling time' and borrowing money on chattels at excessive rates of interest, which is utterly demoralizing to all who permit themselves to indulge in it to any extent. Great sacrifices are preferable to submission to the Shylocks, for once in their grasp extrication is much more difficult than elusion would have been."

The spirit of that editorial finds universal endorsement among all classes of business men. Our various credit rating and collecting agencies, some of whom are represented here this evening, have expressed their approval. Would it be asking too much to appeal to your distinguished body to go on record as willing to co-operate in making this public sentiment throughout the Southwest? Every credit rating or collection agency, while differing in method, agrees in one point. Each thinks himself the fountain-head of revealed truth on the subject of regulated credit. Each thinks this truth will die with him. Some dozen or more such self-appointed popes have come and gone in Kansas City in as many years. One epitaph suits them all: "If I was so soon to be done for, I wonder what I ever was begun for." Now, we are trying to form a credit trust. One more octopus to grind out the liberties of the dead beat. We acknowledge our crime and glory in our shame. When you are not otherwise occupied in similar crime, we invite you to co-operate with us in this criminal career.

We want an interstate wholesale and retail credit men's joint convention, each holding separate day sessions and uniting at the close after conference committees have done their perfect work. The Colorado Retail Credit Men's Association extends the glad hand. The recent State Convention of the Missouri Retail Merchants' Association at Joplin last July, adopted a resolution urging the various local secretaries to get together and devise some plan of State credit regulation. The President of the Kansas State Association, Mr. James Lillis, who is present this evening, comes with his pledged co-operation. Mr. J. A. Stewart also present manager of the Western Clearing House, is very strongly entrenched in Oklahoma and could bring it in line.

Of the past twenty years of organized merchantdom I can say: "All of it I saw, and part of it I was." At the last national convention, held in Kansas City last January, there was only one other present from the old guard that started the movement in 1884. Until the World's Fair at Chicago, in 1893, the movement was almost entirely confined to the Eastern States. But to-day the mighty West is in control. As the metropolis of the Southwest, Kansas City is the geographical spot, and the Credit Men's Association the recognized body to take the initiative in calling a joint convention of wholesale and retail credit men in behalf of a regulation of credit in the wholesale and retail distribution of merchandise. As distributors, we eat more than we raise, but we stand between the producer and the consumer, who are at present at swords' points with one another.

Representing this middle strata of society, we see credit constantly disturbed by the continual conflict between capital and labor. We look on in helpless dismay when our inland commerce is paralyzed by strikes. We represent over a quarter of a million firms. Capital and labor are organized to fight. We should organize to teach and arbitrate. Why



can't we apply something of the same rigid rules here concerning credit that prevail in Europe? Our retail merchants' conventions often complain of the over-indulgence of credit granted by the jobbers to those not worthy of it. If this is unjust, tell us so. In the past twenty years I have probably organized more associations and looked in the face of more organized merchants than any man living. We have been grappling with the question all that time and we need your help.

You have been more successful in securing legislation than we have. In Indiana in 1900 we joined hands. You secured your bulk merchandise bill. We lost our garnishment fight and have not won yet. Just think what it would mean to you to have the retail grocer discounting his bills. Not one-tenth of them can do it in Kansas City to-day under our present system, or lack of system, in granting credit. The retail merchant stands ready to endorse your bulk merchandise legislation. He has already done so. Think what it would mean to both of us to have uniform bulk merchandise and garnishment laws in every State. Then think what improvement we could secure in our national bankrupt act. Think what could be done in reforming insurance laws.

At present Missouri is getting ready to invite some of her legislative representatives to become guests of the State with short hair-cuts, striped suits and stone cells. The next legislature will be more appreciative of our wants than was the last one.

Our recent State Convention at Joplin, last July, amended our constitution so as to invite your associate co-operation. Will you accept the invitation?

## LOCAL ASSOCIATION NOTES.

### Boston Credit Men's Association.

The annual meeting of the Boston Credit Men's Association was held at the Hotel Bellevue on the evening of January 19th, about 100 members being present.

Highly interesting reports from various committees were read, the following being that of the Bankruptcy Committee:

Since the amendments to the Bankruptcy Law of a year ago, there has been comparatively little that your committee could do. The Act of 1898 as amended is conceded by all advocates of bankruptcy legislation to be more equitable than either of the prior laws.

Bankruptcy, if it means anything means economical administration of assets and equal distribution, and this the present law provides for.

The amendments of 1903 removed a large number of the objections to the law of 1898, as construed by the courts, and have tended to make the present system popular.

There have been, during the past year, no radical decisions by the courts, and consequently no violent precedents established.

Statistics show that, while involuntary cases are increasing, voluntary cases are decreasing, and in a large percentage of the latter, there are absolutely no assets, the deduction being that the bankrupt with assets is cautious about going into bankruptcy, while the one without assets seems eager to seek the protection which a discharge affords.

There are two recommendations which your committee desires to make:

The first is, that the bankrupt should not control the election of his trustee, or name the receiver of his estate.

It is a matter of common knowledge that bankrupts, by organized efforts, with the aid of a few friendly creditors in the beginning, and

through attorneys apparently disinterested, but actually retained by the bankrupt, solicit the claims of the majority of creditors, and thus control the election of a trustee, nominally for the creditors, but actually for themselves, and similar methods have been used in the appointment of receivers.

For example, a man secures three friendly creditors to bring an involuntary petition. Through their attorney, they ask for the appointment of a receiver. The bankrupt's attorney admits the bankruptcy, and makes no objection to the appointment, and a receiver is appointed who is really the choice of the bankrupt.

This practice has been carried on to such an extent that in this State, within sixty days, an attorney for a bankrupt, where an involuntary petition has been brought by parties believed to be friendly to the bankrupt, stated to the Court that if the receiver desired by these friendly creditors were appointed, he would consent to the adjudication of the bankrupt.

This case was such a flagrant one that the Court then and there announced that it would appoint in the future receivers of its own selection.

It requires no arguments to show that the interests of creditors are not protected by trustees and receivers so selected.

The second recommendation is, that creditors should make a more thorough and careful examination of the bankrupt's condition before accepting an offer in composition.

The Bankruptcy Act is liberal in its composition features, and creditors, as a rule, are liberal in accepting almost any terms of composition. The same practice prevails here as in the election of a trustee and the naming of a receiver. The bankrupt, with a few of his friends and the secret employment of attorneys, carries through terms of composition which may leave him at the end in a better financial condition than the majority of his creditors.

While it is true that it is the object of composition to give a man a chance to settle with his creditors, and it is expected that under the management of his own estate there will be a nucleus left for him, it is not the primary object of composition, nor is it just to creditors that settlement by composition should so enrich the bankrupt as to enable him to retire.

Every creditor owes it to himself and to other creditors not to accept an offer of composition until a thorough examination of the affairs of the bankrupt has been made by competent, disinterested parties, with the aid of an accountant, when necessary.

This Association ought not only to put itself upon record as protesting against the existing practice of bankrupts to endeavor to administer upon their own estates, but it ought to go further and strive to correct this evil.

Respectfully submitted,

WM. M. MORGAN,

Chairman.

BOSTON, January 19, 1904.

The election of officers for the ensuing year resulted as follows:

President, John R. Ainsley; Vice-Presidents, George H. Graves and Frederic G. Kimball; Treasurer, H. N. Milliken; Secretary, Charles L. Bird. Directors, for the term of two years: George C. Morton, John E. Frenning, F. W. Harding, P. C. Spring, Chas. F. Cutler, Geo. W. Ray, Fred L. Howard, H. E. Reed, W. J. Mandell, A. W. Chesterton, Lester Brayton, George F. Schrafft; Director, for the term of one year: Henry W. Patterson.

### The Chicago Credit Men's Association.

The regular monthly meeting and dinner of this Association were held at the Auditorium on the evening of January 20th, the attendance being about two hundred. Addresses were delivered by Messrs. Edward Rose, Edward E. Gray and A. F. Sheldon, all of which were very much appreciated by the diners.

Hon. Lafayette Young, editor of the Des Moines *Capital*, spoke on "The Value of Labor," and a portion of his address is given as follows:

There is no luck in business.

A pound of logic is worth a ton of talk.

Human windmills and verbal cyclones are out of date.

To get out of bed on a piece of cold oilcloth with the thermometer 20 degrees below zero is in itself a liberal education.

"You are told that the secret of success lies in a 'divine discontent.' The trouble is that the discontent is not always divine.

"You must draw the line between discontent and ambition. There is a discontent which leads to strikes and turbulence as we see illustrated every day. The man who preaches 'divine discontent' to a man who earns \$10 a week when that is all he can earn is an enemy to society. It would be better to tell the man what to do with his \$10."

Mr. Young amused his audience by addressing them as the "credit men's union" and expressing his gratification that they had not threatened a strike.

"I didn't dream there were so many credit men in existence," he continued. "I have had many a session with one. They say there are 400 in your organization. I expected to find 400 undertakers, 400 artists in chattel mortgages and midnight injunctions, and here you have greeted me with poetry. I recommend myself as hailing from a State where the people don't owe a dollar. Our constitution won't permit it—it was framed in 1857 before we knew better."

Then after paying a compliment to Chicago as the "home office of the universe," Mr. Young continued:

"I want to invite your attention to the neglected art of plain, old fashioned work—the kind that 90 per cent. of the world is trying to avoid. Some have become credit men, some have joined other organizations. I believe that if this country is to be saved to honesty and decency it will be by telling our youth that there is no way to dodge hard work. The men who are holding up your citizens by night are the men who are dodging work. Tell your young men that the best thing they can do is to be absorbed in their work. The man who shrinks from taking his coat off is the fellow who, when in a tight place, will commit crime.

"The desire to avoid work produces the man who deserts his wife to loll about saloons and blow about 'the inequality of this blasted world.'"

### The Denver Credit Men's Association.

The regular monthly meeting of the Denver Credit Men's Association was held at its office, Dec. 13, 1904.

Applications of eleven new members to the Reporting Bureau were received and acted upon.

The following resolution was passed regarding the National Prosecution Fund: "In view of the fact that the prosecution fund of the Denver Association was started before the prosecution fund of the National Association and in view of the fact that it has never had occasion to call upon the National Association's fund, nor could see any special object in doing so, preferring to use its own fund, it is the sense of the

Denver Association that the National Prosecution Fund be abandoned and that local prosecution funds be started by the various associations."

The Question Box (copied from the Pittsburg Credit Men's Association) was opened and the following questions were read and discussed:

"Do you think the commercial agencies employ only reporters of experience—men of good address, who have tact, and are able to get the best information from the best sources?"

"What can we do to increase attendance at our monthly meeting?"

"What is the best way to run a card system of Credit Departments?"

Mr. Spencer, Auditor of the Continental Trust Co. of Denver, then gave the meeting an interesting talk on the lack of business bookkeeping method in municipal affairs, dwelling on the importance of having the same put on a business basis.

#### **Detroit Credit Men's Association.**

The annual meeting of the Detroit Credit Men's Association was held at the Fellowcraft Club on the evening of January 20th. The meeting was preceded by a banquet at which speeches were made by Dr. James Sarison of Windsor, who spoke of the scope of the organization, and made a plea for reciprocity between the United States and Canada; and Judge Alfred J. Murphy, of Detroit, on the unsuccessful effort of the association to have a "bulk law" passed at the last session of the legislature. Singing by Mr. William G. Lerchen was an enjoyable feature of the evening.

Extremely interesting reports were read by the president, treasurer and secretary.

The annual election resulted as follows:

President, Walter G. Seely, Jr.; Vice-President, John F. Monaghan; Treasurer, George E. Lawson. Executive Committee, Geo. R. Treble, Geo. B. Pulfer, Geo. A. Corwin, D. C. Delamater, John Ballantyne and F. C. Kennedy.

#### **Grand Rapids Credit Men's Association.**

The Grand Rapids Credit Men's Association held a meeting on the evening of January 25th, which resulted in the election of the following officers: President, L. J. Stevenson, Commercial Credit Co.; Vice-President, A. D. Otis, Cappon-Bertsch Leather Co.; Secretary, J. F. Cramer, Grand Rapids Brewing Co.

The entertainment took the form of a beefsteak dinner at the Lakeside Club, and those present were very much interested in a paper read by Mr. Don E. Miner, showing the results of the bankruptcy law, and calling attention to the benefits of the recent amendment and the present satisfactory working of the law.

#### **Los Angeles Credit Men's Association.**

With a view to properly celebrating the going out of the old year and the coming in of the new, the Los Angeles Credit Men's Association held its regular monthly meeting at Levy's on the evening of December 22d. Preceded by a sumptuous banquet, for which about forty covers were laid, the members of the Association enlivened the evening with appropriate speeches relative to the various lines of business represented.

President W. H. Preston informed the guests that on this occasion it had been decided to depart from the usual practice of having one or two principal speakers, and, instead, certain members had been requested to give a short talk on topics that would interest all present. He then



introduced George Arnott, of the firm of Arnott & Company, who explained the practice followed by his concern in the matter of contract notes.

He explained that his company had followed this system among their trade for many years, and while there might be now and then some objection raised, on the whole it was satisfactory to customer and dealer alike. He contended that where a firm did a credit business and used the form of contract notes the loss from bad debts was exceedingly small. Less than one-fourth of one per cent. of the annual sales was the experience of Arnott & Company.

F. W. Murdock, of W. H. Hoegee & Company, explained the ledger-card system which he employed in their system of credits, and told how easy it was for a firm to tell exactly when an account was due, the date that a draft should be drawn, or whether more stringent methods must be employed for the collection of the amount due. He considered the system one of the most practical, and certainly the simplest, of any now in vogue.

J. D. Simpson called attention to the fact that a short time ago their president, Mr. Preston, remarked that wholesale grocers had to wait thirty days and longer before they could make collections, whereas produce dealers were able to collect at once. "Two years ago this was partly true, but now produce men have to wait often the same as others." He stated, however, that it was customary to try and make collections both weekly and monthly, depending entirely on the customer and the class of goods sold.

Mr. Newell Matthews took up the matter of consignment accounts, and informed his audience that the practice of consigning goods had now become an established business. He called attention to some of the abuses it was liable to, and made some suggestions for the purpose of remedying the evils. He stated that consignment accounts were indulged in for the purpose of increasing the volume of business, or securing a larger distribution of the goods, and he considered that when goods were sold in this manner collections should be made and demanded when due. Mr. Matthews deprecated the custom of consigning goods to small and irresponsible dealers, and believed that the custom should be confined to those dealers who were known to have sufficient capital to meet all their obligations.

H. C. Chase had been asked to speak on his experiences in dealing with the Chinese, and in response replied: "Owing to the fact that there is a large population of Chinese in Los Angeles, the matter of accounts is an important factor. As a rule they are considered a pretty fair risk. The Chinese at home are very liberal with their system of credits, as these people have a very high sense of honor. In their country if a man does not pay his debts some member of his family will always see that they are paid. Such a thing as a collection agency is not known with them.

"In San Francisco the trade with the Chinese is one that is looked for to a large extent because it is considered the finest kind of trade. The old-established houses there are exceedingly prompt in making their payments.

"In our own city some years ago the Chinese trade was quite a factor, but owing to the exclusion act it has fallen away considerably. Ten years ago there were something like 10,000 Chinese in this county, and now there are only about 3,000. When the Chinese incur an obligation of any kind you can generally count on their meeting it promptly."

C. F. Longley explained in detail the methods pursued by Bishop &

Company in their dealings with eastern customers, and the procedure followed in making collections. He stated that they depended very largely on mercantile agencies when opening up accounts, in order to determine to what extent they should go in allowing a credit.

W. H. Booth spoke on conditional sale contracts and furnished his hearers with a few reasons why he believed this form of making sales was superior to any other in vogue. This gentleman was followed by H. Flatau on when to hand an account to an attorney, and W. C. Mushet regarding when to apply to a board of trade. At the conclusion of the speeches the meeting was thrown open for general discussion regarding all matters pertinent to the various lines of business represented.

Those who were present were: W. H. Preston, president; W. C. Mushet, secretary; G. Witherspoon, B. H. Dennis, E. P. Bosbyshell, W. L. Shepard, W. F. Bosbyshell, E. C. Levy, W. A. Phelps, B. Hayman, W. H. Booth, H. W. Benson, H. C. Chase, G. Arnott, C. F. Longley, A. W. Bradbury, Ludwig Schiff, W. E. Marcher, W. H. Hamaker, W. G. Eisenmeyer, C. A. Kenyon, W. C. Kennedy, M. A. Newmark, Robt. Newmark, H. Flatau, A. J. Pickarts, N. Mathews, F. E. Frantz, J. D. Simpson, C. B. White, E. N. Grant, J. L. Boyle, S. D. Murdock, J. A. Lyons, A. Loeb, F. Simpson, F. A. Barnes, W. C. Bowles.

The third annual meeting of this Association was held on the evening of January 21st, and was preceded by a dinner.

Mr. B. G. McMechen, of Toledo, Ohio, who is one of the oldest and most highly esteemed members of the National Association, made a witty address. President Preston then read his annual report, which is in part as follows:

Gentlemen: It is incumbent upon your officers to render a report each year, giving account of their stewardship. Our worthy and most efficient secretary and the chairmen of the various committees will give in detail the efforts of the year, and it is my purpose only to refer to them in a general way.

It is difficult indeed for me to express to you the pleasure it has been to me to see the splendid evidences of interest in all our meetings. I do not recall during the entire year a poorly attended meeting.

\* \* \* \* \*

Think of what vast capital this association represents—5,000 of the best business houses of our great country. Consider the power for good in establishing and maintaining safe and sane credit conditions. There is more need now than for some time for level-headed, considerate, just, honorable and firm but kind treatment of credits.

Liabilities represented in the commercial failures increased from \$117,476,769 in 1902 to \$156,633,859 in 1903, or 37 per cent. We may as well face the fact that depression and liquidation have been noticeable, and that as per former experiences will likely continue for some time.

It is true that our growth has been so marvelous and, we believe, substantial, that we are confident we will not suffer from these forces, as much as less favored sections, but we must admit that some of our long lines of credit must be curtailed. We must be more careful to avoid the increase in their number, and, in other words, must keep our customers from getting into "deep water." I maintain that we do the merchant a favor whenever we insist that he keep his account within safe limits, and I want to impress upon you gentlemen the momentous fact that upon you, more than any other body of men on the face of the earth, depends the welfare of Southern California. It is said that a great moral movement that has the mothers of a community arrayed in its favor will

in the course of a generation win, because of this beneficial power, and as a son of the best mother that God ever gave to earth, I believe it. Now, I want to say, gentlemen, that just as surely as I believe the mothers hold the moral welfare of a nation in their power do I believe that the credit men of this city hold in their keeping the commercial welfare of Southern California, and that they may by wise treatment of credit conditions make the merchants of our favored garden spot the most prosperous of any section of our great nation.

\* \* \* \* \*

The day is not far distant when credit insurance will be as much a legitimate expense of the business as any other safeguard, fire appliances, watchmen, fire insurance, etc.

I go back to my statement that the credit men are in one way or another the cause of most of the failures, and the credit man who is under a nervous strain from fear that the unexpected is likely to happen most any time is going to take injudicious action and cause a failure. Credit insurance is a tonic to the credit man, not causing or permitting him to be careless, but in the observance of the scientific limitations of credits, in the necessity of watching for new ratings and keeping accounts in the limits so wisely prescribed, in the knowledge that if the unexpected does happen, you are protected against abnormal loss, he is able to sleep well and judge well, and thus to grow in value to his house. This is a safeguard to business conditions, which remedy will forever banish panics, for most panics are nothing more or less than a nervous distrust of credits, with the result of their rapid withdrawal and consequent failure. But I wasn't asked to make a credit address, but I just couldn't help saying these things.

I want to close with most earnest and cordial thanks for the courtesies you have continually extended to me, as your presiding officer. It has been a pleasure to serve you, as my modest ability and busy life would permit.

The Secretary's report showed a membership of 54 names

The Treasurer's report was submitted, showing the association to have met all liabilities during the past year, and to have a satisfactory balance in the treasury.

The chairmen of the several standing committees made their annual reports.

The nominating committee reported its selection of officers for the coming year, which was unanimously adopted. The officers are as follows: President, W. H. Preston; Vice-President, Frank Simpson; Treasurer, W. C. Patterson. Executive Committee, one-year term: J. W. Lynch, G. Witherspoon, L. C. Scheller, C. B. White.

### **The Milwaukee Association of Credit Men.**

The Milwaukee Association of Credit Men held its annual meeting, preceded by a dinner, at the Republican House, January 14, 1904.

President Battin reviewed the work of the Association during the past year and suggested the desirability of holding Association meetings oftener than in the past.

It was decided to have mailed from the National Secretary's office a copy of the pamphlet on laws regulating sales of merchandise in bulk to each of the members.

A letter sent out by the National Secretary pertaining to fire insurance was discussed, and it was decided to leave the matter to each individual member.

The special committee appointed for the purpose of acting on the proposition sent out by the National Secretary on the subject of the Prosecution Bureau made a report, which will be published or referred to later in connection with a general report on this subject.

The election of officers then followed, resulting as follows:

President, R. J. Morawetz, The Morawetz Co.

Vice-President, Oscar Loeffler, Goll & Frank Co.

Treasurer, Wm. I. Lane, B. J. Johnson Soap Co.

Secretary, H. M. Battin, Standard Oil Co.

Directors for three years:

W. B. Strong, Jerman, Pflueger & Kuehmstead Co.

A. Christenson, Pfister & Vogle Leather Co.

Director for two years, succeeding Mr. Loeffler:

J. Strass, M. Heiman & Co.

A vote of thanks was extended to all officers and directors who served in 1903.

The Secretary's and Treasurer's reports show the Association to be in a very healthy financial condition and also a very nice increase in the membership over last year. Total membership, 140.

#### Minneapolis Credit Men's Association.

The Minneapolis Association held its annual meeting on January 19th, and the following officers were elected:

President, A. E. Clerihew, of the Forman-Ford Co.

Vice-President, F. R. Salsbury, of Salsbury & Satterlee.

Secretary and Treasurer, M. C. Badger, of Patterson & Stevenson Co.

The retiring President, W. S. Hughes, delivered the annual address, which was as follows:

If growth is an indication of life, then it may be truly said that the Minneapolis Credit Men's Association is a living organization. While our growth has not been as great as we had hoped, still we have made a substantial gain during the year. At the beginning of the year now closing we had seventy-two members. It was the ambition of your retiring President to be able to report an even one hundred at the end of his term of office. While the result does not reach his ideal, the Secretary's report shows that our membership now numbers ninety, a net gain of eighteen, but it should be an easy matter to reach the one hundred mark. I have been looking into this matter a little, and am convinced that we should have at least one hundred and fifty members in our Association. With a proper appreciation of the benefits to be derived from membership in this organization, there should be no difficulty in securing enough members from among the implement dealers alone to bring our membership to the century mark. I respectfully suggest to the new administration that this field be cultivated. Then we should have a number of members from among the furniture manufacturers and dealers, and I would respectfully suggest to those of our members who are engaged in that line of business that they get to work among their competitors, and try and induce them to come in.

In what I have just said as to the gain of membership I would not want it understood that I take any credit personally for this work, but the credit belongs mostly, if not wholly, to the constant and untiring efforts of our Secretary, Mr. Badger. However, your about-to-be-ex-President has a notable precedent for claiming credit for the work that has been done, as he might use the language that was used by an



American admiral on one occasion, when he claimed the credit for a great victory because the battle was fought and won by "the fleet under my command."

During the year the long-agitated Ray Amendment to the bankruptcy law was passed, our association paying about \$120 towards the necessary expense incident to urging the matter on the attention of Congress.

About one year ago there was an effort made in North Dakota to amend the unreasonable exemption laws of that State, and there was some hope of securing favorable action by the Legislature, but in this we were disappointed. There was some expense incurred by the parties having the matter in charge, and our association contributed \$25 toward this expense.

At a meeting in May, 1903, the association voted to invite the National Association to hold the 1904 meeting in Minneapolis, and the delegates to the St. Louis Convention were instructed to bring the convention to Minneapolis if possible. In this, however, the delegation was unable to accomplish its desires, and the association goes to New York. However, if we wish the National Association to hold their convention in Minneapolis in 1905, I believe that a hearty invitation is all that is necessary to bring it here. This will be a matter which the association should determine at an early date.

In my opinion one of the most important and valuable accomplishments of our association in its entire history is our collection system, inaugurated during the past year. This scheme was devised by one of our members, and, so far as I am advised, is working admirably.

The new line of work that confronts our association is the matter of the country check evil. This has been agitated for many years, but no practical remedy has yet been suggested. It is getting to be an enormous burden, and I sincerely hope that some scheme may be devised whereby we may be relieved of it.

Our meetings have been fairly well attended, although a great improvement could be made in this respect. In order to stimulate interest in the meetings of the association, we have had during the past year three addresses by gentlemen whom we have been able to get to *work for their board*. First, we had an address by Hon. Eugene G. Hay, on reciprocity with Canada, a vital question to the people of the Northwest at this time. On another occasion we had an interesting address from Professor Shaw, of the Agricultural College of the State University, on "Irrigation." At our last meeting we had an address from the Rev. Dr. Fowler, of Minneapolis, on "Dealing in Margins."

I wish to take this opportunity to thank the members of our association, personally and collectively, for their kind support during the past year.

#### **Philadelphia Credit Men's Association.**

The quarterly meeting of the Philadelphia Credit Men's Association was held in the large dining room of the Bullitt Building Tuesday evening, January 26th, and was preceded by a very delightful dinner.

President C. F. Shoemaker presided and, in his introductory remarks, requested the members to co-operate heartily with the officers of the Association in promoting its objects and in this way making the Association's work of value to the membership.

Secretary S. W. Severson reported that, during the month of January, fourteen new members had been secured and that several of this number had been secured through the use of the yellow slips forwarded through the National Office.

Mr. Frank S. Evans, of Messrs. Strawbridge & Clothier, chairman of the Committee on Business Meetings, thanked the members, on behalf of the committee, for the manner in which they had responded to the call for general meetings; and also suggested that a question box be instituted, in which members were requested to drop memorandums of such questions as they would desire to be discussed by the Association, these questions to be introduced for discussion at the different meetings.

Mr. J. Hector McNeal, a prominent attorney of Philadelphia, delivered a most interesting address on the subject of "Negotiable Instruments."

Mr. William A. Prendergast was then introduced and spoke upon the general work of the National Association, devoting his attention particularly to the Investigation and Prosecuting Bureau and legislative branches. In the course of his remarks, Mr. Prendergast called upon the members to pay more heed to bankruptcy proceedings in which they were interested, for fear that through indifference or lassitude on the part of creditors the debtor and those favorable to him would be able to control the election of a trustee and in this way administer the assets not in the interest of the creditors but in the interest of the bankrupt and his attorneys.

Under a call for general discussion, Mr. Frank S. Evans and Mr. Warren Carter discussed the advisability of the Association conducting a blacklist of those who had proved unreliable in credit transactions. The discussion upon this question brought out the fact that there was no unanimity of opinion upon it.

Mr. R. S. Chambers, of the American Credit Indemnity Company, stated that, in his experience in meeting merchants and credit men, he had discovered that one of the evils appealing for almost instant remedy was the system now generally in vogue of disposing of stocks of goods in bulk to auctioneers whose business is principally devoted to transactions of this character, and unless creditors must expect to be victimized through such methods, it was eminently necessary that legislation be secured which would properly control transactions of this nature.

#### Rochester Credit Men's Association.

This organization has always been famous for its dinners and other celebrations, but its annual banquet of January 14th eclipsed in all respects its previous performances, and also established a standard which any trade association will find it difficult to meet.

Hon. John D. Lynn presided. He is one of the wittiest chairmen in New York State and on this occasion proved a "host" in himself.

President Joseph Farley spoke briefly and aptly.

Mr. Chas. E. Meek, President of the New York Credit Men's Association, extended to the three hundred members present an invitation to visit the next annual convention and gave them in outline an idea of the entertainment the New York people have in store.

The three stated addresses were all of a high-class order, and three better speeches have never been made on one occasion.

#### REMARKS OF PRESIDENT FARLEY.

"There are some things in this world better even than gold. A good name is more to be desired than great riches. Good credit means, above all things else, a good name; and first and foremost, as credit men, we should impress on those we come in contact with that it is indeed the pearl of great price. Its possessor at some time, sooner or later, finds it his most valuable asset. How often it has averted disaster we all

know. Is it not obligatory on us to emphasize more than we do that integrity and real manhood are as much, and even more, to be esteemed than mere moneyed worth?

"Money, lands and chattels are transient, but a good name can be preserved, and it is up to every man to keep it. How much it means in time of financial distress many a man knows. His credit has been his deliverer and proved to be to him, indeed, a strong tower and fortress.

#### HONESTY IN BUSINESS.

"If character is the all-important test of credit, would it not be well to really make it so by creating a sentiment in the business world that would make a good reputation mandatory and imperative? I can think of nothing that would help make it so, more than the abrogation of all laws and courts for the collection of debts, by process of law. Why should the people be taxed as they are for the support of courts for such a purpose? Much litigation and the expense attendant thereon would be saved, and the creditor class saved the worry and trouble they are now put to. The class of debtors who furnish business to the courts would be eliminated; they would not obtain credit favors. The men without credit would be fewer, and the position of the credit men far pleasanter than it now is.

"Not all men are honest for honesty's sake, but many are honest because, on the whole, they think it the best policy; if there was no other way and a man had to be honest in order to be a part of the business community, he would necessarily be honorable and fair as he ought to be. We all wish to be well thought of, and it is a laudable ambition, but have we the right to expect others to esteem us more than we deserve? The true credit man will demand no more of others than he expects others to exact of him and of his house. A good credit man should himself be a good man. He will exercise patience, forbearance and consideration where his debtor deserves it, and insist on his rights when an imposition is attempted. Should he expect from others more than he expects of himself? It is sometimes well for a man to take a just inventory of himself, and if he does so fairly. It will help him to know how to deal with others' weaknesses. Justice, in a certain degree, is contagious; and the fair credit man, by his acts and correspondence, influences and helps others to be like him.

"How much seeming imposition is to be put up with, and how much forbearance to exercise, is not always easy to determine. But one thing is sure, and that is, that the repetition of an act of injustice that has been considerably overlooked and kindly called to the attention of the offender, should not be permitted. How often discount privileges are abused. A glaring case should not be passed by without attention and, if repeated, the remittance should invariably be returned. My experience is that the larger houses are the greatest sinners in this respect, imagining, as they too often do, and mistakingly, too, that the parties of whom they buy cannot live without them. The house that demands fair treatment either gets it or drops the account, as it should; in the long run it is a winner and is thought more of by the very ones who strive to unfairly impose on it.

#### FORCE OF PUBLIC SENTIMENT.

"We are often forgetful of our duty by looking at the present gain, rather than to the future benefit. Every time we insist on fair dealing, we are not only doing the right a service, but making it easier and pleasanter for the business world at large. We are helping create a public sentiment that gradually becomes potent and effective. Most men

wish to be thought well of in their own community, and if they realized that it was just as desirable to be well esteemed away from home as at home, gradually the world would be akin.

"As an instance of what it is possible to bring a community to by the force of public sentiment let me quote the following: "The Pacific coast, during a considerable period of its history, showed how extraordinarily effective such a public sentiment can be. During the war, and for all the period thereafter when the national currency was at a discount, the Pacific coast refused to abandon the gold basis, despite the legal tender laws of the United States. Thus, at one period, a Pacific coast debtor could have relieved himself of all indebtedness for one-third of the amount which that indebtedness figured in gold. It is a noteworthy fact that instances where a man took advantage of a creditor and paid him in depreciated currency were extremely rare."

"To greenback' a man was the unforgivable commercial offense. A man guilty of such a defiance of public sentiment was hopelessly without credit, and actually rated far lower than the man who was notoriously bad pay, or who, in fact, never paid at all. On disputed accounts, suits were brought on the basis of an indebtedness of so many dollars in 'gold coin,' and the debtor who might exhaust all other expedients of the law to defer or defeat payment rarely had the nerve to demand his legal right to meet the obligation in legal tender."

#### THE ASSOCIATION'S DUTY.

"Here is an instance notably suggestive and encouraging. And this brings me back to the one point I am striving to impress, and that is, our duty to create a sentiment that can not be disregarded in demanding and expecting fairness, at least, from those we deal with. The sooner we drop the accounts of unfair houses, the better we are off. I would ask you men, if you ever made any money out of a concern that endeavored to take any and every advantage they thought it possible to maintain? After submitting to their impositions, is there anything in it? Have you not sold your birthright for a mess of pottage?"

"Credit men in their associations are helping to bring about such a standard as I have hinted at. The legislation they have been instrumental in securing has amply repaid the exertion put forth, and should encourage to further effort. Our organization has been a power for good in the commercial world and bespeaks for itself the support of the business men of every community. Should we not look for and expect it?"

At this juncture ex-Judge Lynn took charge as toastmaster and thenceforth the fun was fast and furious. He threw all sorts of oratorical bouquets at the credit men. Before introducing the first formal speaker of the evening, he presented C. E. Meek, president of the New York City Men's Association. The latter spoke a few words, urging all Rochester credit men to attend the National convention, to be held in New York in June, promising a good time and telling of the things that had been planned for the convention.

#### HON. THOMAS CARMODY.

Judge Lynn then introduced Thomas Carmody of Penn Yan, whom he termed "the silver-tongued orator of Western New York." Mr. Carmody took as his topic "The Country Merchant," speaking in part as follows:

"Our marvelous complicated growth, industrial, social, geographical and political, has created new conditions, and has brought different kinds of business and separate branches of the same business, into something



like system, in which individualism is minimized and becomes potent only in proportion as it enters into and becomes a part of the co-operative and organized movements of the times. In this we see the directing and shaping force of the age before whose grand results even imagination stands amazed.

"In the creation of wealth, in the development of material resources, in the expansion of trade, in the extension of the paths of commerce, in the kindling of the fires of industry, in the building and welding together of the fibres of business energy, in the progress of science in all of her branches adapted to the needs of man, nothing in history can equal, nothing in Oriental fable can surpass, what our generation has accomplished. Energies that have lain dormant since the birth of time have been galvanized into life. The forces of nature that have baffled all the philosophers of all the ages gone before, have yielded to the mind and the hand of practical Yankee ingenuity. The great monument of this age, and in this respect the greatest by far of any age, nay, of all ages, will be its rampant materialism. Business no longer halts, it leaps. Men no longer dream, they act. And this lively spirit will leave history to record the wonderful fact, that it has produced five times more of wealth, and what stands for wealth, and what produces wealth, than all the generations which have been born since Columbus steered his bark to this Western world.

"It is not to be wondered at in this hustling, bustling, hurrying struggle for legitimate gain, that there should also be at work sporadic and dishonest and ill-considered practices. It is not to be wondered at that in this great army of industrial activity leading the van of progress into new and untried fields, there should also be buccaneers and highwaymen and parasites who, clothed in the panoply of honest endeavor, take advantage of the spirit of the age to wreck legitimate enterprise, and levy tribute upon honest toil.

"I am well aware that this is a commonplace theme and that these are very commonplace ideas about which there is very little dispute. But they bring us face to face with the acute questions of the day about whose solution men do not agree either as regards our duty for the present or our prospects for the future. At this point we find the scholar thinking, the demagogue haranguing, the pessimist condemning, the optimist glorifying, the fool guessing. I have no ambition to enter that list, and if I should I am not sure but you would classify me, and deservedly so, among the latter.

#### NOT AFRAID OF TRUSTS.

"But the discussion of these questions often leads us upon doubtful grounds over which partisanship is projected and about which, if I had any notions at all, I should not express them at this time. I would as soon think of bringing a ham sandwich to this banquet as to bring a partisan speech. I will say, however, that I do not share in the alarm felt over the future of our mercantile affairs and see no permanent danger arising from those excrescences upon the business world which we call trusts. They are as far on one side of the stream of healthy progress as the country merchant is upon the other. One is an indentation; the other is a protuberance. Any enterprise not based upon sound business principles cannot succeed, no matter what artificial aid may be behind it. It has within itself the elements of disintegration which lead to death. No temporary triumph can make wrong that which is right, or right that which is wrong. You cannot emasculate a sound business principle and get anything but unsound results. Greed meets greed: fraud matches fraud: cunning off-sets cunning, in the ignoble war of Shylock's hungry votaries.

"Every age has troubles as well as blessings that are peculiar to it. The generation that preceded us had an abnormal political condition to deal with. We have an abnormal industrial condition. When that political condition became sufficiently acute, there was an eruption, a revolution in which the forces of light met the forces of darkness, in which truth met error and grappled to the death, and the air was cleansed of the heresies that produced the condition. The same will be true of the industrial conditions of our day. Overweening greed will never be a permanent characteristic of our nation. That kind of business enterprise that looks upon opportunity as a pirate looks upon a galleon will find no fixed place among a free people. The line of demarkation is broad between legitimate business and those oleaginous and cunning business devices which prey upon human weakness.

#### MUST BUILD ON JUSTICE AND HONOR.

"Every age outlives its own ideals. The epochs of history are practically measured by the lifetime of a generation, periods in which there is a trend of human affairs toward a certain point, the very energy of which when the point is reached produces reaction, then comes the revolution, the hurling back by a mighty power to normal conditions, or else the sowing of the seeds of agitation and reform that lead back gradually and peacefully.

"Only that is permanent which is right, not right for to-day, not right for this generation because it conforms to existing conditions, but absolutely and eternally right. Right because it embodies the sum of human experience, right because it recognizes the conditions of human happiness, right because it says in business as in morals. 'Thou shalt not steal,' and establishes principles and conditions in which honest merit meets honest reward.

"The sentiment that I wish to leave with you in closing is that while we have wrought marvelously in material matters, only that will be permanent which is built upon the stable grounds of justice and of honor. It is not so much in trade balances or giant enterprises that our successors will place their gratitude to us as in the establishment of business conditions that will carry the fruits of our labors down to them and produce and maintain a prosperity that is universal.

"It is not in the cabinets of presidents, it is not in halls of legislation, it is not in the size or prowess of our battleships or our armies, it is not where commerce plows the seas or great financial institutions cover the land, it is not in boards of trade or centers of feverish speculation, that the permanent evidences of prosperity alone are to be looked for, but back through the avenues where the millions toil in well requited labor, where the blacksmith pounds at the forge, where the artisan sweats at his lathe, where the farmer guides the plow, where the merchant dispenses his wares, where the wheels of the factory turn to the music of rushing streams. It is there in the language of a modern historian, that 'The fruits and flowers of civilization are blossoming and ripening in peace and contentment and prosperity, or fading and falling in misery, misfortune and ruin.'"

J. SLOAT FASSETT

#### THE SPIRIT OF COMMERCIALISM.

"We have the good fortune to be citizens of a big country which does big things in a big way. We have risen by giant strides to great eminence and power in all departments of human interest and human endeavor.

"Recently our growth in productive capacity and material wealth has

been so amazing as to approach the marvelous. By leaps and bounds we have overtaken and surpassed our rivals, until to-day we face the assembled nations admittedly the richest member of the group.

"We do not yet lead in all respects, for we have much to learn in the matter of international banking and international freight carrying by sea. In industrial enterprise, in facility of transportation and communication and in productive capacity, however, we lead the world.

"On the average for six years since 1896 our exports have reached the annual value of \$1,410,000,000, and our imports annually \$850,000,000, leaving an annual balance of trade in our favor of \$560,000,000, or in the last six years \$3,360,000,000. That is to say that in six years the balance of trade, as shown by exports and imports, has been six times greater than all the favorable balances of trade during all the rest of the history of our country combined.

#### VASTNESS OF HOME TRADE.

"But vast as is this foreign trade, it is as nothing to the immense transactions among ourselves, in our own country, between the citizens of the United States in their daily activities. The bank clearings alone in 1892 were \$116,000,000,000 and in 1903, \$111,000,000,000, to say nothing of the transactions not passing through clearing houses at all, which would more than double these figures.

"The value of our farm crops last year was \$5,000,000,000, not to mention the vast output of coal, iron, copper, gold, silver, lead, salt, sugar, lumber, coal-oil and general manufactures.

"Our internal commerce is greater than all the export and import trade of all the exporting and importing nations of the earth, our own included.

"To carry on all this business and the countless additional small and unnoted transactions in the daily routine of retail trade and personal transfers we have in all forms of money the total sum of \$2,352,710,158, of which there is in gold \$627,025,092.

"The bank clearings show transactions of say \$111,000,000,000 for the last twelve months. That is to say, in round numbers, for every \$111 of business there was less than \$3 in money, and \$2 of this token money at that. When we recall the bank transactions that do not appear in clearing house reports at all we shall feel highly conservative in estimating that in this country for every dollar's worth of gold there is annually transacted \$700 of business.

#### MONEY A MERE CONVENIENCE.

"This situation opens the way for some very interesting suggestions. How much further must confidence be developed before money will not be a necessity at all in trade, but a mere convenience? The fact is that credit is already almost the exclusive trade solvent. As 700 is to 1 so is credit to cost. If confidence were complete, that is were every man worthy of entire credit, no money at all would be needed. These figures also suggest the utter and hopeless inadequacy of the money supply should credit receive a severe shock. With credit perfect we need little money, with credit destroyed there wouldn't be money enough in the world to do our business.

"In this connection it becomes clear that the best safeguard of prosperity is the good character of the individual. We do not need a more elastic currency half as much as we need a less elastic confidence.

"All the plans as yet brought forward to improve the currency system of the country, while containing no doubt much that is excellent, fall far short, nay infinitely short, of supplying a substitute for credit based upon

good faith. Nothing can take the place of character in business. It is impossible to imagine continuing modern development with any amount of money if good faith disappear. It is very easy to imagine a superb continuation without any money or with the lowest kind of a currency with credit maintained. Credit is based on character and character upon the Ten Commandments and the Golden Rule.

#### MAN'S BEST ASSET.

"Experience has taught that a man's best asset is a good name. What is true of a man is true of a community—a city—a State or a nation. But trade demands not only good character and fair play. It demands a sense of physical security. All its interests make for peace.

"There have been in the past many dreams of a world peace. Cecil Rhodes believed the English-speaking peoples would grow to be such a power for such a purpose. But it will not be so much through their armed military or naval power that peace will be made universal as through the mighty power of the industrial, commercial and financial wealth which the restless vigor and intelligence of these people will create and teach others to create. The tendency of trade is pacific. Capital is timid. It distrusts uncertainties. It flourishes under and needs a stable equilibrium, and its subtle and potent influences are almost wholly exerted to bring about such a condition. Peace is the prerequisite of prosperity. Permanent peace is the forerunner of permanent prosperity, in so far as it eliminates uncertainties from the field of mercantile activities.

"Money moves, fortunately, most reluctantly to war and strife. It is essential to all armed movements; but, for all that, the money influence and the enormous growth of great trade enterprises makes for peace.

#### COMMERCIALISM AND ALTRUISM.

"How fortunate this is! Libraries, hospitals, schools, charities, universities, colleges, technical institutions, undertakings that make for enlightenment, for liberty, for character building, for security, for training in the arts and sciences, these are the objects of the benefactions of the wealthy.

"The spirit of the age is commercialism informed by altruism. Not only does the development of commerce make for high character and for permanent peace, but it makes for intellectual and moral betterment.

"Many and noisy critics from pulpit, rostrum and the press assail our people as merely utilitarian and commercial, as being dollar worshippers and possessed by greed. This criticism I stoutly resent and deny. This country and this age can well afford defiantly to challenge comparison with any country or any age that history has known.

"We have made such advances in material welfare, in transportation and communication and in mechanical inventions and industrial productivity, that within the span of a single lifetime we have progressed farther than in all previous ages since man was created.

"But our advance has by no means been confined to the material and mechanical world. In the care of the poor, the sick, the lame, the helpless, the blind, the feeble-minded; in the care and training of the young; in the establishment of schools, colleges, universities, libraries; in the support of churches, hospitals and beneficent societies, no age or country has equaled us.

#### WORLD IS ALL RIGHT.

"I can think of no age of the world wherein there was so much of care toward the needy and the weak and so much of opportunity for the willing and the strong. If the world we see about us in this country



with its noble charities, its lofty ideals, its doors of open opportunity, its comfortable homes, its expanding privileges, its teeming and wholesome activities, be the outcome of the spirit of commercialism, may we not ask our critics for what ideals they would have us exchange the ones we cherish?

"We should judge a country, an age and a motive, not by its best, nor yet by its worst work, but by its general average, by the way it affects the collective life of the whole community. Judged by this test the spirit of commercialism may well defy its critics. Commerce is based upon the idea of service and nurtured by high character and good faith. No effort in any direction can prosper or endure, can bring lasting wealth or power, can permanently satisfy and inspire unless it serve.

"Herein it seems to me lies the conquering power of the genuine spirit of modern commercialism; that it enforces with tremendous sanctions the thought and its consequences that no man lives to himself alone. No spiritual insight can penetrate deeper than this; no moral aspiration reach higher; no philosophical deduction, no abstract intellectual speculation, no refinement of mere literary culture, have broader or more beneficent application.

"Let us take heart then. The world never was a better place to live in than now, and there is no more attractive spot than here."

HON. J. ADAM BEDE,

CONGRESSMAN FROM MINNESOTA, MADE THE CONCLUDING SPEECH.

The concluding speaker of the evening was Hon. J. Adam Bede, of Duluth, Member of Congress from Minnesota. He spoke offhand, having no manuscript or even notes. His address was punctuated with stories, used as the text for more serious conclusions, making it specially difficult to reproduce in type the spirit of the ardent Americanism and abounding optimism of the speaker.

In introduction he said he believed with Senator Fassett, that this country was getting better every minute, because, as he explained it, "the world is built that way." There has been more rapid progress in the last fifty years than in all the preceding centuries and this progress has brought many new problems of which the fathers never heard.

"But do not lie awake nights worrying about the solution of these problems," he advised. "Give the people of this country a little time and they will solve them all in order. Thomas Jefferson thought he could solve the slavery question off hand, but that took time and it was solved in a way that Jefferson never looked for. Leave the problems of the present day to time and they will all be solved right.

TIME WILL SOLVE ALL PROBLEMS.

"Two hundred years ago, they would not let the Baptists live in Boston, and they nicked the ears of every Baptist found in that city. The world has grown broader and better and kinder in the last two hundred years, and Baptists can now safely go to Boston without having nicked ears.

"Just now we are troubled because the great fortunes are bunched in a few hands. We all are glad there is so much wealth in the country, but we wish we had more of our share of it. Time will solve that problem for us some day; there is no need for us to worry about it just now.

"I am not opposed to large aggregations of capital. You must have a big bunch of capital nowadays under a single roof to do the business

of the world. I am not worried because there is so much capital; what we must look after is to see who owns the capital and how it is controlled for the best good of the people."

"The world is constantly growing better," was the speaker's conclusion. "The struggle may be even more intense, but the standard has been raised over that of previous generations. There is more happiness among the American people in this generation than ever was found in any preceding age."

#### Sioux City Bureau of Credits Entertain Legislators.

Gathered around the banquet board at Fitch's café in the new Northwestern depot on the evening of January 5th, representatives of the jobbing and manufacturing interests of Sioux City listened to able discussions of the merits of the proposed law in Iowa to regulate the sale of stocks of goods in bulk.

The assemblage was honored and particularly benefited by the presence of a number of members of the coming Iowa legislature, living both in and out of Sioux City. The legislators present included Senator-elect John H. Jackson, of Sioux City; Senator-elect W. C. Kimmel, of Sheldon; Representative Will C. Whiting, of Whiting, and Representative-elect G. R. Whitmer, of Primghar. Others had been invited, but could not come.

The purpose of the meeting was to procure a thorough understanding of the proposed law, which is to be presented for passage to the new legislature, and which is designed from similar laws already in operation in a number of other States.

The dominating principle of the law is to require notification of the seller's creditors in writing by registered letter five days before a disposition of a stock of goods, and giving the name of the purchaser and the sale price.

The principal speakers of the evening were E. H. Hubbard and John R. Carter. M. L. Sears, who had been expected to give an address, was called out of the city, thus precluding the possibility of his attendance.

Those guests present who are to be members of the new general assembly of Iowa were called upon, and spoke briefly and entertainingly.

President C. P. Kilbourne, of the Bureau of Credits, presided as toastmaster.

E. H. Hubbard, the first speaker, took up the question of the pressing need for the bulk sale law in Iowa, and gave illustrations to demonstrate its need.

Mr. Hubbard declared in the beginning that the greatest asset a successful mercantile man has is his credit. He believed one of the greatest developments of the nineteenth century was the modern system of scientific commercial credits.

"Credit is the life-giving source of the commercial movement," said the speaker. He said every instance where a merchant traded off or sold his stock of goods secretly to defraud his creditors means a less degree of credit for the other merchants of his town. A bill which made swindling along these lines more difficult benefited not only individuals, but benefited the entire business world. The honest merchant has nothing to fear in the proposed law. The creditors of every retail merchant are morally at least his business partners, and are entitled to that consideration. The operation of the proposed law merely imposes that which an honest man ought to do.

Mr. Hubbard's talk was an able exposition of the substance and the justice of the bill.

## CARTER TREATS OF TECHNICALITIES.

The address of John R. Carter was of a technical nature, treating the bill from the standpoint of jurisprudence. Its various legal phases and aspects and its constitutional relations were ably and instructively presented. The proposed measure was pronounced judicially proper.

In further discussing the proposed legislation, Mr. Carter said: "The great commercial interests of the country are of such magnitude and importance as to command the attention of legislatures in the prompt enactment of such laws as may be found necessary to correct an evil, prevent a wrong or redress an injury, and among these are frauds. From time immemorial legislatures have been quick to listen to this class of wrongs and prompt in the passage of such measures as might prevent and punish fraudulent practices."

Mr. Carter's comprehensive analysis of the bill was listened to with much interest.

## LEGISLATORS SPEAK BRIEFLY.

All of the legislators mentioned who were present spoke briefly and declared themselves in favor of the enactment of laws which are intended to protect the honest dealer and punish the dishonest. Mr. Whiting told an incident of one retailer in Sioux City years ago who had sold out his stock, and his creditors found he had moved his stock of coffins in the basement, the coffins, he said, being reserved by him to use in burying his creditors.

"The jobber," said Senator-elect John H. Jackson in his remarks, "has a right to know to whom the man who owes him is to sell his business and to know how the dealer expects to pay his debts."

## AN ATTRACTIVE MENU.

The menu served at the banquet was not an uninteresting part of the evening's programme, as the following will show:

New York Counts.

Consomme Royal.

Bleached Celery.

Queen Olives.

Baked Halibut, au Beur Noir.

Fillet of Beef, aux Truffles.

Mashed Potatoes.

French Peas.

Fruit Jelly, aux Neapolitan.

Potato Salad.

Sweet Buns.

Cafe Noir.

Cigars.

An orchestra furnished music during the evening.

At the conclusion of the toasts it was voted by the credit men to give the Executive Committee of the Bureau of Credits power to act in the matter of sending a representative to Des Moines when the proposed bill is called up for action to work for its passage. The jobbing and manufacturing interests all over Iowa are to make an active effort to secure the enactment of the measure at the coming session.

At two preceding sessions of the General Assembly the bill has failed of passage.

## The Wichita Credit Men's Association.

Reports received from Secretary Frank Redfield indicate that this young Association is taking a lively interest in its work, and its experience has already demonstrated the efficacy of such an organization among





## STANDING COMMITTEES, 1903-1904.

### Legislative Committee.

Fred'k. W. Standart, Chairman, The C. S. Morey Mercantile Co., Denver, Col.  
 H. K. Milner, Milner & Kettig Co., Birmingham, Ala.  
 Shannon Crandall, California Hardware Co., Los Angeles, Cal.  
 W. H. Kent, Kent Correspondence School for Credit Men, San Francisco, Cal.  
 D. H. Miller, Gilbert & Bennett Mfg. Co., Georgetown, Conn.  
 W. J. McManus, Repauno Chemical Co., Wilmington, Del.  
 Frank S. Gray, The S. B. Hubbard Co., Jacksonville, Fla.  
 Alfred Truitt, Truitt-Silvery Hat Co., Atlanta, Ga.  
 E. L. Wedeles, Steele-Wedeles Co., Chicago, Ill.  
 Jas. V. Rush, Mackey-Nisbet Co., Evansville, Ind.  
 T. P. Smith, Turner Hardware Co., Muskegon, Ind. Terry.  
 C. P. Higman, Higman & Skinner, Sioux City, Iowa. ●  
 D. E. Good, D. E. Good & Co., Atchison, Kas.  
 W. H. Bradbury, Carter Dry Goods Co., Louisville, Ky.  
 Edward W. Cox, A. F. Cox & Son, Portland, Maine.  
 Chas. W. Linthicum, Linthicum Rubber Co., Baltimore, Md.  
 Jos. S. Pike, Dodge, Haley & Co., Boston, Mass.  
 Wm. C. Sprague, Sprague Publishing Co., Detroit, Mich.  
 F. J. Hopkins, Janney, Semple, Hill & Co., Minneapolis, Minn.  
 E. A. Young, Young, Finch & McConville, St. Paul, Minn.  
 Sam Rothenberg, Marks, Rothenberg & Co., Meridian, Miss.  
 Edwin A. Krauthoff, Karnes, New & Krauthoff, Kansas City, Mo.  
 Chas. S. Dickey, Letts-Spencer Grocer Co., St. Joseph, Mo.  
 L. D. Vogel, Charter Oak Stove and Range Co., St. Louis, Mo.  
 Chas. W. Russell, M. E. Smith & Co., Omaha, Neb.  
 Chas. T. Page, Page Belting Co., Concord, N. H.  
 Chas. A. McCormick, Johnson & Johnson, New Brunswick, N. J.  
 Maurice E. Frelich, Haines & Co., Buffalo, N. Y.  
 Chas. Biggs, Actuary, Hat Trade Credit Association, New York, N. Y.  
 Geo. G. Ford, Lewis P. Ross, Rochester, N. Y.  
 R. P. Richardson, Jr., R. P. Richardson, Jr., & Co., Reidsville, N. C.  
 W. A. Currie, Grand Forks Merc. Co., Grand Forks, N. D.  
 Max Silberberg, The Feder Silberberg Co., Cincinnati, O.  
 W. E. Rice, Wm. Edwards & Co., Cleveland, O.  
 W. B. Roberts, Lang & Co., Portland, Ore.

Frank S. Evans, Strawbridge & Clothier, Philadelphia, Pa.  
 D. C. Shaw, Curry & Shaw, Pittsburg, Pa.  
 C. S. Sisson, C. S. Sisson & Co., Providence, R. I.  
 Wm. Koenig, Jr., Andrew Kuehn Co., Sioux Falls, S. D.  
 W. I. Moody, Orgill Bros., Memphis, Tenn.  
 W. D. Fuller, J. S. Reeves & Co., Nashville, Tenn.  
 Wm. Monnig, Monnig Dry Goods Co., Ft. Worth, Tex.  
 W. N. Foster, A. S. White & Co., Lynchburg, Va.  
 Chas. S. Goldsmith, Schwabacher Bros. & Co., Seattle, Wash.  
 F. T. Cartwright, Fostoria Glass Co., Moundsville, W. Va.  
 James McLeod, Roundy, Peckham & Co., Milwaukee, Wis.

### Membership Committee.

Philip Present, Chairman, Rochester, N. Y.  
 J. Fred Farber, Chase Bros., Rochester, N. Y.  
 John W. Fulreader, James Cunningham, Son & Co., Rochester, N. Y.  
 J. H. Lempert, Solomon Bros. & Lempert, Rochester, N. Y.  
 Th. D. Steinhause, Bolton Shoe Co., Rochester N. Y.

### Improvement of Mercantile Agency Service Committee.

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### Business Literature Committee.

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 Walter G. Seely, Jr., Detroit Stove Works, Detroit, Mich.  
 Edward Bland, Ireland & Matthews Mfg. Co., Detroit, Mich.  
 Chas. A. Simon, Acme White Lead & Color Works, Detroit, Mich.  
 J. Augustine Smith, American Credit Indemnity Co., Detroit.

### Credit Department Methods Committee.

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 R. T. Hopkins, Phillips & Buttorf Mfg. Co., Nashville, Tenn.  
 H. L. Sperry, Sperry, Handly & Walsh Hat Co., Nashville, Tenn.  
 A. H. Meyer, L. Jonas & Co., Nashville, Tenn.  
 J. L. McWhorter, Montgomery-Moore Mfg. Co., Nashville, Tenn.

# Directory of Officers of the National Association of Credit Men, and Affiliated Branches.

## OFFICERS

OF THE

## NATIONAL ASSOCIATION OF CREDIT MEN.

1903-1904.

**President**—J. Harry Tregoe, Vice-President The John A. Carroll Shoe Company, Baltimore, Md.  
**Vice-President**—Richard Hanlon, Hanlon Millinery Co., St. Louis, Mo.  
**Secretary-Treasurer**—Wm. A. Prendergast, New York.  
**Assistant Secretary**—Francis J. Stockwell, St. Louis, Mo.

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 Chas. E. Meek (National Lead Company) New York.  
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**Vice-President**—Richard Hanlon.  
**Secretary-Treasurer**—Wm. A. Prendergast.

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ALABAMA—A. D. Bellamy (Florence Wagon Works), Florence.  
 CALIFORNIA—H. S. Kirk (Kirk, Geary & Co.), Sacramento.  
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 GEORGIA—D. H. Kirkland (J. K. Orr Shoe Co.), Atlanta.  
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 INDIANA—Henry A. Jeffries (King & Co.), Indianapolis.  
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 NEBRASKA—F. B. Hochstetler (Wright & Wilhelm Co.), Omaha.  
 NEW HAMPSHIRE—B. F. Strand (C. B. Lancaster Shoe Co.), Keene.  
 NEW JERSEY—Isaac F. Roe (Roe & Conover), Newark, N. J.  
 NEW YORK—Daniel D. Murphy (Burke, Fitz-Simons, Hone & Co.), Rochester.  
 NO. CAROLINA—Wm. C. Harris (Robt. Harris & Bro.), Reidsville.  
 NO. DAKOTA—W. A. Currie (Grand Forks Merc. Co.), Grand Forks.  
 OHIO—W. E. Rice (Wm. Edwards & Co.), Cleveland.  
 OREGON—W. H. Chapin (W. B. Glafke Co.), Portland.  
 PENNSYLVANIA—J. A. McKee (Merchant & Co.), Philadelphia.  
 RHODE ISLAND—C. S. Sisson (C. S. Sisson & Co.), Providence.  
 SOUTH DAKOTA—Wm. Koenig, Jr. (Andrew Kuehn Co.), Sioux Falls.  
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 TEXAS—E. J. Gannon, Cashier (American National Bank), Dallas.  
 VIRGINIA—W. H. Miller (Lynchburg Shoe Co.), Lynchburg.  
 WASHINGTON—F. W. Baker (Seattle Hardware Co.), Seattle.  
 WEST VIRGINIA—F. T. Cartwright (Fosteria Glass Co.), Moundsville.  
 WISCONSIN—R. J. Morawetz (The Morawetz Co.), Milwaukee.

## BRANCH ASSOCIATIONS.

ATLANTA, GA.—Atlanta Credit Men's Association. President, E. F. Morgan, National Furniture Co.; Secretary, J. C. Clark, 912 English American Bldg.  
 BALTIMORE, MD.—The Credit Men's Association of Baltimore. President, E. A. Davis, F. A. Davis & Sons; Secretary, Edward M. Young, Carlin & Fulton.  
 BOSTON, MASS.—Boston Credit Men's Association. President, John R. Ainsley, Brown, Durrell & Co.; Secretary, Chas. L. Bird, 1000 Tremont Building.  
 BUFFALO, N. Y.—Buffalo Credit Men's Association. President, Alfred H. Burt, Burt & Sindler; Secretary, J. J. Dolphin, Iroquois Rubber Co.  
 CHICAGO, ILL.—The Chicago Credit Men's Association. President, N. M. Tribon, Longley, Low & Alexander; Secretary, John Griggs, No. 218 La Salle St.  
 CINCINNATI, O.—The Cincinnati Credit Men's Association. President, A. W. Sommerfield, A. & A. W. Sommerfield & Co.; Assistant Secretary, Henry Bentley, 202 Carlisle Bldg.  
 CLEVELAND, O.—Cleveland Credit Men's Association. President, F. A. Grossenbacher, The Sterling & Welch Co.; Secretary, J. L. Matchett, The H. A. Boesger Cigar Co.

**COLUMBUS, O.**—Columbus Credit Men's Association. President, Geo. T. Macauley, G. T. Macauley & Co.; Secretary, J. W. Howard, The Fidelity and Casualty Company.

**DENVER, COL.**—The Denver Credit Men's Association. President, C. F. Friesland, Colorado Fuel & Iron Co.; Secretary, W. C. Hall, The P. S. Hessler & Hall Mercantile Co.

**DETROIT, MICH.**—Detroit Credit Men's Association. President, Walter G. Seely, Jr., Detroit Stove Works; Secretary, W. S. Campbell, No. 506 Wayne County Bank Bldg.

**EVANSVILLE, IND.**—Evansville Credit Men's Association. President, J. R. Goodwin, Goodwin Clothing Co.; Secretary, Edward Kiechle, Southern Stove Works.

**GRAND RAPIDS, MICH.**—Grand Rapids Credit Men's Association. President, L. J. Stevenson, Commercial Credit Co.; Secretary, J. F. Cramer, Grand Rapids Brewing Co.

**KANSAS CITY, MO.**—Kansas City Association of Credit Men. President, John L. Powell, Goldstand-Powell Hat Co.; Secretary, Edwin A. Kruthoff, Karnes, New & Kruthoff.

**LINCOLN, NEB.**—Lincoln Credit Men's Association. President, P. L. Hall, Columbia National Bank; Secretary, J. Frank Barr, Box 954.

**LOS ANGELES, CAL.**—Los Angeles Credit Men's Association. President, W. H. Preston, Stetson-Preston Co.; Secretary, W. C. Mushet, 323 Bulard Bldg.

**LOUISVILLE, KY.**—Louisville Credit Men's Association. President, F. M. Gettys, American Clothing Co.; Secretary, Chas. W. Chambers, 206 Union Nat. Bank Bldg.

**LYNCHBURG, VA.**—Lynchburg Credit Men's Association. President, T. M. Terry, Craddock-Terry Co.; Secretary, John L. Caskie, Jackson Bros & Watts Co.

**MEMPHIS, TENN.**—The Memphis Credit Men's Association. President, S. L. Lee, Lee & Morton; Secretary, J. C. James, 33 Madison St.

**MILWAUKEE, WIS.**—The Milwaukee Association of Credit Men. President, R. J. Morawetz, The Morawetz Co.; Secretary, H. M. Battin, Standard Oil Co.

**MINNEAPOLIS, MINN.**—Minneapolis Credit Men's Association. President, A. E. Clerihew, The Forman-Ford Co.; Secretary, M. C. Badger, Patterson & Stevenson Co.

**NASHVILLE, TENN.**—Nashville Credit Men's Association. President, H. H. Nance, Richardson Bros. Shoe Co.; Secretary, Geo. M. Thomas, American Building.

**NEW ORLEANS, LA.**—New Orleans Credit Men's Association. President, A. H. Kaiser, Picard, Kaiser & Co.; Secretary, T. J. Bartlette, B. J. Wolf & Sons.

**NEW YORK, N. Y.**—The New York Credit Men's Association. President, Chas. E. Meek (National Lead Company); Secretary, H. J. Sayers, No. 350 Broadway.

**OMAHA, NEB.**—The Omaha Association of Credit Men. President, J. H. Taylor, F. P. Kirkendall & Co.; Secretary, E. S. Rohr, 307 Merchants' National Bank.

**PHILADELPHIA, PA.**—The Philadelphia Credit Men's Association. President, C. F. Shoemaker, Shoemaker & Busch; Secretary, S. W. Severson, Room 702, No. 1001 Chestnut St.

**PITTSBURGH, PA.**—Pittsburgh Credit Men's Association. President, W. A. Given, The Pittsburgh Dry Goods Co.; Secretary, W. L. Danahey, Monongahela Bank Bldg.

**PORTLAND, ORE.**—Portland Association of Credit Men. President, W. O. Munsell, Moline-Bain Co.; Secretary, W. L. Abrams, Allen & Lewis.

**RICHMOND, VA.**—Richmond Credit Men's Association. President, George L. Pender, American National Bank; Secretary, Jo. Lane Stern, 1014 East Main St.

**ROCHESTER, N. Y.**—The Rochester Credit Men's Association. President, Jos. Farley, E. P. Reed & Co.; Secretary, Edward Weter, Yawman & Erbe Mfg. Co.

**ST. JOSEPH, MO.**—St. Joseph Credit Men's Association. President, R. O. McBride, C. D. Smith Drug Co.; Secretary, F. E. Curtis, Quentin-Knight Millinery Co.

**ST. LOUIS, MO.**—The St. Louis Credit Men's Association. President, H. V. Kent, Kent & Purdy Paint Co.; Secretary, A. H. Foote, P. O. Box No. 575.

**ST. PAUL, MINN.**—St. Paul Credit Men's Association. President, Albert Scheffer, Scheffer & Rossum; Secretary, H. W. Parker, Merchants' National Bank.

**SAN DIEGO, CAL.**—The Credit Association of San Diego. President, Simon Levi, 400 Fifth Street; Secretary, Sam Ferry Smith, 1047 Fifth Street.

**SAN FRANCISCO, CAL.**—San Francisco Credit Men's Association. President, G. Brenner, L. & G. Brenner; Secretary, Ben Armer, No. 535 Parrott Bldg.

**SEATTLE, WASH.**—Credit Department, Merchants' Association. President, Jas. S. Goldsmith, Schwabacher Bros & Co.; I. H. Jennings, Asst. Secty., 413 Bailey Bldg.

**SIOUX CITY, IA.**—Sioux City Bureau of Credits. President, C. P. Kilborne, International Harvester Co.; Secretary, Geo. W. Scott, Crane Co.

**WICHITA, KAN.**—Wichita Credit Men's Association. President, J. B. House, Lehmann-Higgins Gro. Co.; Secretary, Frank Redfield, C. E. Potts Drug Co.

**YOUNGSTOWN, O.**—Youngstown Credit Men's Association. President, T. N. Stitt, The Youngstown Dry Goods Co.; Secretary, W. R. Packard, The John H. Fitch Co.